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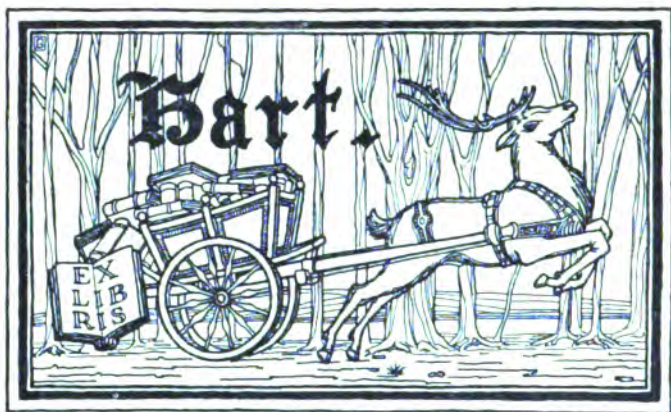
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# HISTORY OF THE UNITED STATES

## POLITICAL INDUSTRIAL SOCIAL

BY  
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*οὐ πόλλ' ἀλλὰ πολὺ*

BENJ. H. SANBORN & CO.  
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## PREFACE

In preparing the following pages for students who are about to enter seriously on the study of United States history, I have been guided in the selection of material and in the method of presenting this material by a desire to place more emphasis on the industrial and social activities of the American people than is usually placed by writers of textbooks which we may for convenience call political histories. In placing this emphasis I have tried not to neglect the really important political movements, constitutional developments, and military events. Necessarily many of these movements, developments, and events have been given less prominence than is customary in political histories, yet not one of first-rate importance has been intentionally omitted. Likewise in numerous places, the industry of the country has received less detailed treatment than is usually accorded it in industrial or economic histories. As a result, this book differs somewhat, on the one hand, from texts now generally used in high schools; and, on the other hand, from those used in college classes in economic history. It devotes considerably more space to industry and society than does the political history; and, unlike an industrial history, it gives attention to politics, constitutions, and military affairs.

In taking what may appear to many to be middle ground as a basis on which to prepare a United States history for advanced high-school students and for college freshmen, I am supported by my own experience as a teacher of United States history in various types of schools, and by other teachers in high schools, academies, normal schools, colleges, and universities, who assure me that the plan is sound.

This text, it is believed, will meet the needs of college classes in American industrial history, as well as of advanced high-school classes in the conventional United States history courses; will give to the students of the latter a well proportioned view of American life; and will assist the college freshman to relate his already acquired knowledge of American history to the new knowledge he gains in his classes in economic history.

In apportioning space among the various time periods, I have departed somewhat from the usual division. Thus in the first of the three parts into which the text is divided I have devoted one chapter to a brief account of European conditions prior to about 1600; one chapter to discovery and colonization; one chapter to colonial society and government; three chapters

to colonial industry and trade; one chapter to the causes of the Revolutionary War; one chapter to the War itself; and one chapter to the period of the Confederation after 1783. These eight chapters comprise a little more than one-fourth of the entire book.

The second part, which covers the period 1789-1865, is made up of eleven chapters and comprises almost one-half of the entire book. One chapter deals with the American Industrial Revolution; one with the westward movement; one with politics; four with industry and trade; one with banking and the currency; one with slavery; one with the relative strength of the North and South about 1860; and one with the Civil War.

Seven chapters make up the third part, which covers the period 1865-1917. One chapter is devoted to Reconstruction; one to population and labor; one to manufactures and the tariff; one to agriculture; one to foreign and domestic trade; one to banking; and the last to the United States as a world power.

An examination of the Table of Contents will show that the method of treatment is partly chronological, partly topical. In part II, for example, Chapters IX, XVIII, and XIX are chronological, while the rest are topical. Such a plan makes it possible to treat large topics in such a way as to render them more easily grasped by the student. Thus American agriculture, for example, could scarcely be treated in one chapter, for it would have too wide a sweep (1607-1917). Likewise to devote a portion of each chapter to such a subject would result in confusion and misunderstanding. For that reason I have preferred to divide the book into parts, to bind the parts together with chronological chapters, and to treat topically within each part the varied activities of the people.

Of the so-called pedagogical devices at the ends of the chapters little need be said. The questions are intended to stimulate thought on the part of the student, and to create habits of close application in studying the text material. The important dates are merely for reference, though I know many teachers who would not consider themselves unduly severe in insisting that students commit them to memory. The suggested topics for oral or written report will compel students to systematize their knowledge of the topics assigned. In the supplementary reading lists, reference is made to a relatively small number of books in order that students may become well acquainted with a few good references by having their attention directed to them often. As a further encouragement, I have grouped the books under subject headings and given exact page references.

In the matter of an appendix I have again departed from the conventional, not because I think that such documents as the Declaration of Independence and the Constitution are unimportant, but rather because they are too easily found elsewhere to devote space to them in a textbook.

## PREFACE

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The maps and illustrations in this text have been adapted from a wide range of activities. For the earlier chapters several fanciful pictures have been used, though I am aware that their value is questioned by school men. Wherever possible, photographs have been used. In the preparation of the maps simplicity has been the aim. As a result, an attempt has been made to show only a relatively small number of facts on any one map. For that reason they may appear to be incomplete and out of proportion.

In the preparation of this text I have had the sympathetic encouragement of college and high school teachers in all parts of the United States, who have expressed the belief that the plan on which it has been prepared is sound; and to them I now express my deep appreciation for their uniform kindness in replying to inquiries, and for their open frankness in offering advice.

CHARLES MANFRED THOMPSON.

URBANA, ILLINOIS, June 1, 1917.





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# HISTORY OF THE UNITED STATES

## POLITICAL, INDUSTRIAL, SOCIAL

### PART I

#### ADAPTATION OF ENGLISH INDUSTRY AND GOVERNMENT TO AMERICAN CONDITIONS

1250-1789

#### CHAPTER I

#### EUROPEAN BACKGROUND

1250-1600

#### I. GENERAL AWAKENING

1. **The Renaissance.**—The discovery of America by Columbus in 1492 occurred near the close of that far-reaching period in European history known as the Renaissance, which means literally, re-birth.<sup>1</sup>

During its progress across western Europe the Renaissance not only reshaped and gave new life to languages and literatures, but, what is not less important in this connection, it also stimulated the expansion of local industry and caused an increase in commerce among the nations that felt its influence. It was directly responsible for three of the most important inventions of the age and these inventions influenced in turn the development of industry. Thus the printing press helped to spread the knowledge of industry and trade; gun powder increased the influence of the common people

<sup>1</sup> During the dark ages the knowledge of the ancient Greeks and Romans was practically lost, for only in the monasteries were education and learning valued. The Renaissance changed all this. Men became interested in learning what the ancients had to teach them. All over western Europe colleges and universities were established to promote the spread of this learning, and into their halls students flocked in great numbers.

— the laborers — by making them more efficient in battle; while the mariner's compass permitted the expansion of commerce on the open sea.

Naturally this awakening caused commerce and trade to expand in many different directions. As knowledge spread, it stimulated men everywhere to seek newer and better methods in industry. It made them dissatisfied with old practices and old results. Before this time each man had been content to carry on his business in a small way in his own immediate neighborhood. The Renaissance brought him into contact with men engaged in the same industry in other localities; and this contact not only gave him new ideas, but also, because it brought him increased competition, it stimulated him to greater endeavors in his business. In short, the Renaissance broke down village and family industrial isolation; it made the seas safer and more accessible as routes of commerce; it increased international trade by making the people of one nation familiar with the customs, manners, laws, and industries of the peoples of other nations.

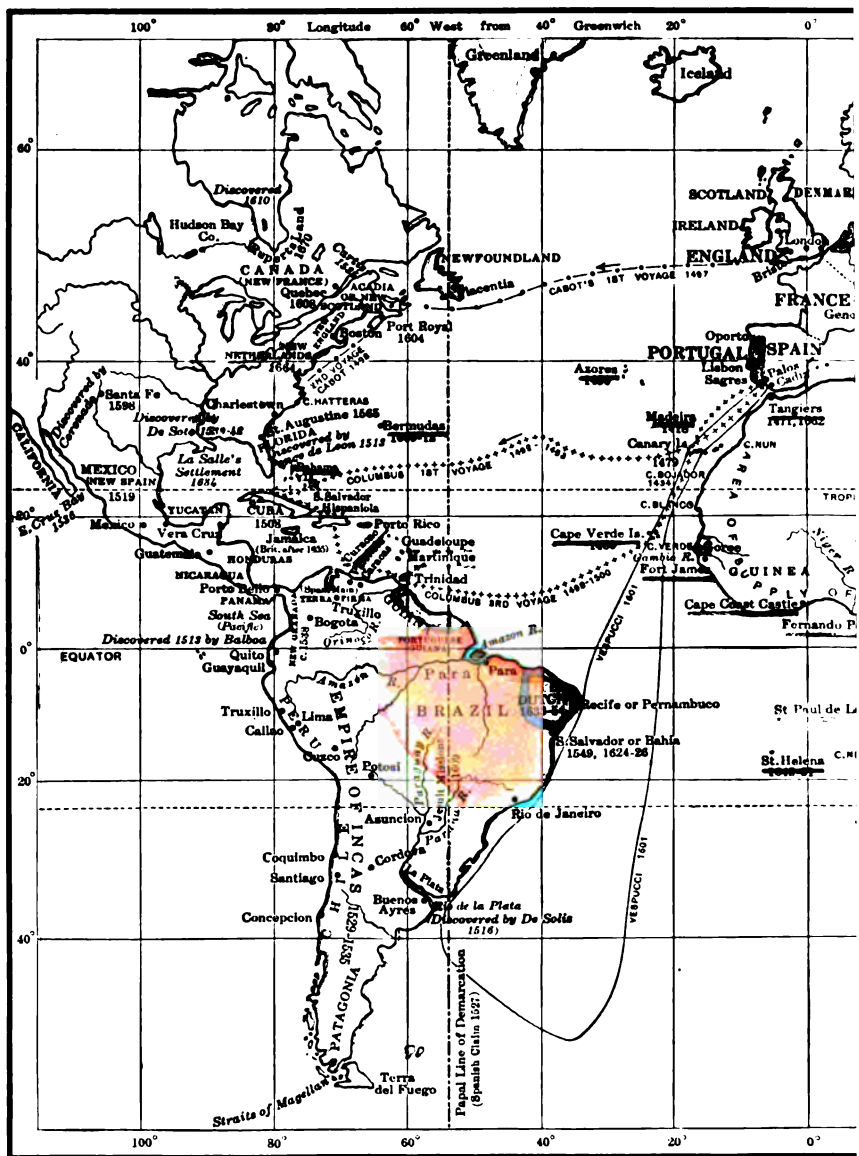
**2. Trade with the Orient.**—The most significant phase of the trade expansion of western Europe during this period was toward the Orient. The crusaders had brought their home countries into close contact with the Holy Land,<sup>1</sup> which was at that time, and had been for centuries, a common meeting ground for traders from Asia, Africa, and Europe.<sup>2</sup> There, the crusaders had acquired a taste for eastern luxuries, and on their return home they had carried this taste to all sections of western Europe.

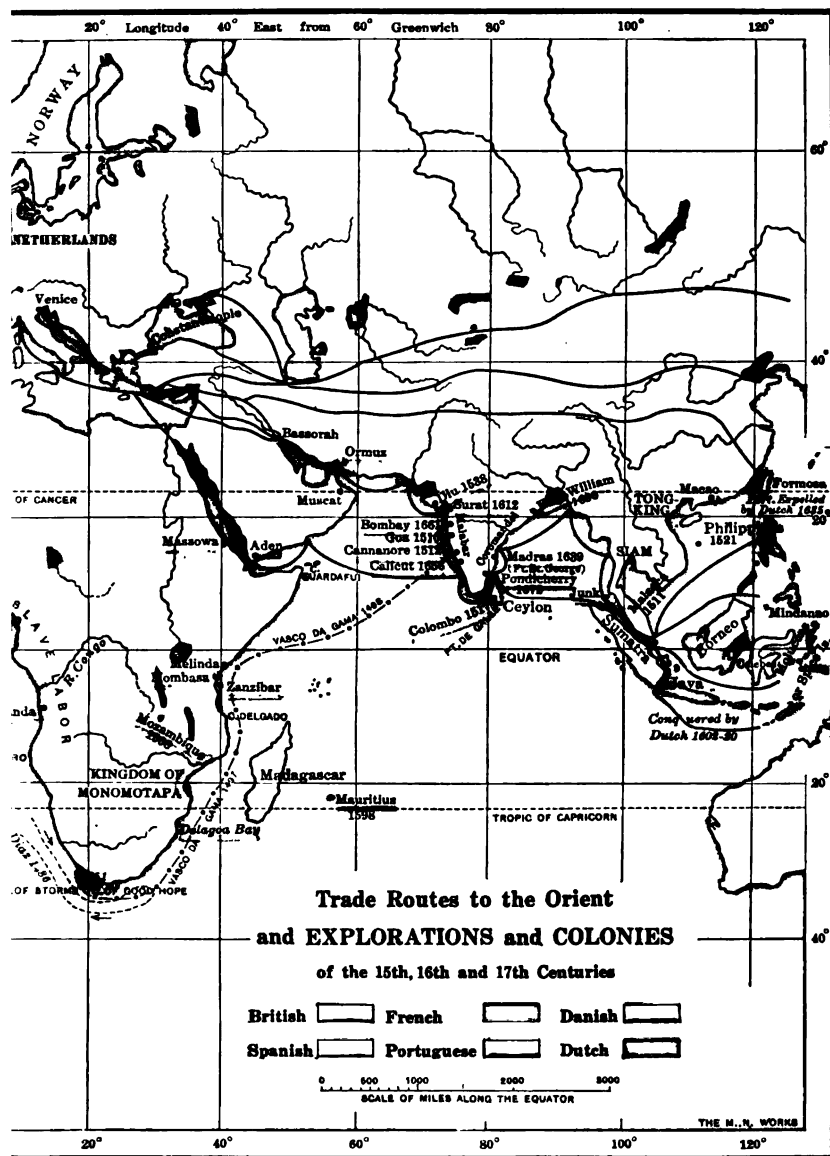
Thus a demand for Oriental goods had been created even before the influence of the Renaissance had been felt; and to supply this demand, traders and merchants had built up a thriving trade between western Europe and the Far East. Down almost to the time of the discovery of America in 1492 this trade continued without serious interruption. From the Orient came spices, fruits,

<sup>1</sup> Dates of the more important Crusades: first, 1096-1099; second, 1147-1149; third, 1189-1192; fourth, 1202-1204.

<sup>2</sup> Joseph was sold by his brothers to traders "bearing spicery and balm and myrrh, going to carry it down to Egypt." Read *Genesis*, 37:25-28.









jewels, and fine cloth, to be exchanged for iron, woolen cloth, gold, and silver.

**3. Trade Routes to the East—**Three important trade routes, each of which naturally had many variations, connected western Europe with the Orient. Of these routes the southernmost one was almost entirely by sea. It began at Malacca, which was centrally located for the traders and merchants of Japan, China, and the East Indies. From Malacca the route extended westward across the Indian Ocean to the southern part of India, and then to the Arabian coast near the mouth of the Red Sea. From there it continued up the Red Sea to the vicinity of the Isthmus of Suez, and thence by land to Cairo, where European traders were accustomed to gather in great numbers.

The second route lay farther northward. It also began at Malacca, but unlike the one on the south, it skirted the coast, passing through the important ports of India and Persia to the mouth of the Persian Gulf. By this gulf and the Tigris or Euphrates River, it extended to Bagdad. There it divided into several overland branches, each of which led to some important port on the eastern coast of the Mediterranean Sea.

The third route, which was yet farther northward, was entirely by land. It lay across the heart of Asia, extending from the eastern coasts of Siberia and China to the Caspian and Black seas.

Naturally all of these routes converged toward the eastern shore of the Mediterranean Sea, for it was there that European merchants went to trade. Centrally situated, Italy led all other European nations in trading with the Orient. Especially active were two of her city-states, Venice and Genoa. They became rich and powerful; and when the trade was cut off by the Turks in the fifteenth century, they suffered more severely than any of the other trading centers of Europe.

**4. The Eastern Trade Cut Off by the Turks.—**After expelling the Christian crusaders from the Holy Land, the Mohammedans extended their empire northward toward the Black Sea and southward into Egypt. They were friendly toward the Christians, and, perhaps because they were able to levy a tax on the merchandise passing



through their territory, they encouraged the Oriental trade. This condition continued until the Ottoman Turks overran Asia Minor.<sup>1</sup> The Turks were also Mohammedans, but they hated the Christian nations of Europe. They placed one restriction after another on the Oriental trade, cutting it off almost entirely when they captured Constantinople in 1453. Thenceforth the revival of trade depended on



Replicas of vessels of Columbus (Jackson Park, Chicago, Illinois). The vessel in the foreground is the Santa Maria, the largest of the three.

the discovery of new trade routes to the East; and closely connected with the attempts to discover these routes was the discovery of America by Columbus in 1492.

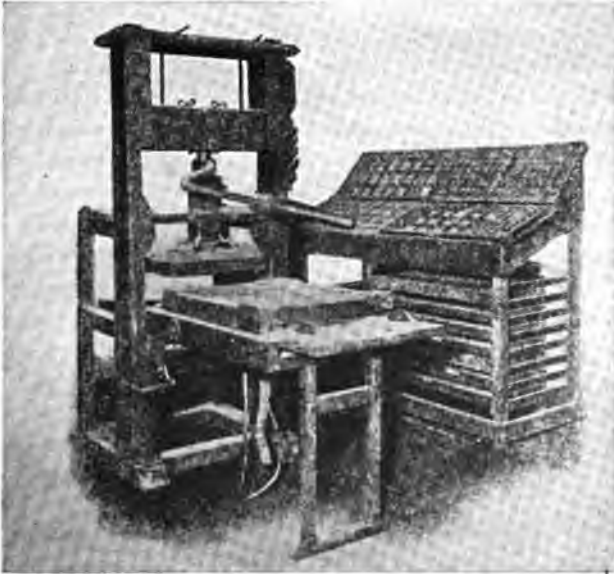
## II. THE GOVERNMENTS OF CONTINENTAL EUROPE

**5. The Reformation.**—The fifteenth and sixteenth centuries saw in Europe important movements which had far-reaching influence on

<sup>1</sup> About the year 1300 A. D., a small group of Turks, who had their home in the heart of Asia Minor, began their conquest of the eastern shores of the Mediterranean Sea. Within a century and a half they had become masters of Asia Minor, and had gained a foothold in Europe.

## THE GOVERNMENTS OF CONTINENTAL EUROPE 5

the development of the new world. Chief among these movements was the Protestant Reformation. It began in Germany in 1517,<sup>1</sup> and soon it had spread over northern Europe. By the end of the century England had become the leader of the Protestant nations. Spain continued as the most influential Catholic country. The



An Early Printing Press  
This style of press is still used in some printing offices.

countries of each religious group came more and more to hold common interests. England, for example, supported Protestant Flanders in her uprising against Catholic Spain; welcomed for a time the trade activities of the Protestant Hanse towns; and in 1588 she crippled the sea power of Spain by destroying the Spanish Armada. The Catholic countries, on the other hand, also drew closer together. European colonists carried these differences in religion to America,

<sup>1</sup> In that year Martin Luther posted his ninety-five theses on the Wittenberg Church door.

and the enmity between England and Spain, thus transplanted in the new world, had during the colonial period, and has since had, a tremendous influence in shaping the policies of North and South America.

**6. Developments in France.**— The history of France during these centuries was characterized by an increase in the power and authority of the kings at the expense of the people, and by a bitter feud between the Catholics and the Protestants. Both hindered the development of industry. The religious conflict absorbed energies which otherwise would have been expended in commerce, manufactures, and agriculture. Centralization of political power had a similar influence. The monarchy gave too much attention to getting absolute control of the government, too much attention to personal ambition. From the standpoint of industry, however, the kings might have been excused for robbing the people of political power had they, like the Tudors in England, given protection and encouragement to industry. Instead they too often regarded the matter with indifference. Consequently France lagged behind England in sound industrial development, and, as we shall see later, when the supreme conflict came for the mastery of North America, her lack of industrial and commercial strength told against her both at home and in her colonies.

**7. Industry in Spain.**— Prior to 1492, Spain was by necessity a military nation. For seven hundred years her people had carried on an intermittent warfare with the Moors, which came to an end in 1492 with the expulsion of the Moorish government from the peninsula. Peaceful possession of the land might have brought industrial progress had not America with all her riches been discovered at the time. The flow of gold and silver from the new world turned the heads of the people. Never industrially inclined at any time in their previous history, they were less willing now than ever before to undergo the hazards and toil of trade and commerce. They preferred the easier method of conquest and exploitation in the new world.

Spanish industry was still further impaired by a succession of costly wars with the Protestant powers. Under Charles V, the

grandson of Ferdinand and Isabel, Spain was united to Germany, and for years she gave lavishly of her treasure and men to her Catholic allies. At home the government persecuted her most industrious citizens, the Moors and the Jews, finally expelling them from the kingdom.<sup>1</sup> Thus internal disruptions and foreign wars combined to destroy one industry after another. Manufacturers practically disappeared. Even agriculture, which ordinarily would thrive in Spain, declined until the country produced scarcely enough food to supply the home demand.

**8. Portugal.**— The history of Portugal during this period differed but little from that of Spain, with whom she was closely allied. The Portuguese were pioneers in seeking a new route to India, not, as Columbus set out to do, to the westward, but southward around Africa.<sup>2</sup> They settled but one important colony in the new world, and that was Brazil in South America. Consequently they exerted little influence on that part of North America which is now the United States.

**9. Italy.**— Italy's contribution to the exploration and colonization of America was indirect but important. More than one daring Italian sea captain sailed the western waters under a foreign flag: Columbus, a Genoese, was in the employ of Spain; John Cabot, also a Genoese, of England. Italy's failure to establish colonies in the newly discovered lands was not caused by her poverty or lack of spirit, but rather by the character of the governments into which the peninsula was divided. There was no central power. A number of petty states, each jealous of the rest, occupied the territory comprised in

<sup>1</sup> Spain was intensely Catholic, and her rulers in order, as they said, to stamp out heresy instituted the Inquisition. The Jews and the Moors very generally refused to become Christians. Consequently they were expelled from the kingdom, the former in 1492, the latter between 1501 and 1610.

<sup>2</sup> The Portuguese led by Prince Henry the Navigator had, for several years before Columbus discovered America, been creeping gradually down the western coast of Africa in an attempt to reach India. In 1486 a Portuguese sea captain, Diaz, rounded the Cape of Good Hope and then sailed for several days up the eastern coast of Africa. Twelve years later another Portuguese explorer, Vasco de Gama, reached India.

modern Italy. A city-state like Venice, for example, regarded any advance Genoa might make as injurious to her own interests.

**10. The Low Countries.**—A people, whom we may call the Dutch, had, through the centuries, been developing national life in the low country about the mouth of the Rhine River. From an early day they had been pioneers in trade and industry. In more than one line of manufactures they had a world-wide reputation for excellence. Moreover, their merchantmen sailed on every sea. In spite of their small territory, which also meant a small population and a relatively weak military strength, these people divided honors and wealth with the English and French in the East Indian trade. They failed, however, to attain a firm footing in America, despite the fact that early in the seventeenth century they made a permanent settlement in what is now New York.

### III. ENGLAND UNDER THE TUDORS

**11. An Era of Industrial Progress.**—The first Tudor king, Henry VII, came to the English throne in 1485. His accession marked the end of a long period of internal conflict known in English history as the Wars of the Roses. The common people had taken little part in this conflict. Though they knew that Henry Tudor had a defective title to the throne, they welcomed him as their king, because they believed that he would give them peace and protection. In this belief they were not to be disappointed. Henry VII and his immediate successors, Henry VIII (1509-1547), Edward VI (1547-1553), Mary (1553-1558), and Elizabeth (1558-1603), took a keen interest in making the people happy and prosperous. During these five reigns the country made material progress along many lines. The people improved their agriculture, invented new and improved methods of manufacture, expanded their foreign trade, and began a contest for the supremacy of the sea. The English Parliament aided in this development by enacting laws in the interest of the trade and manufactures of the country.

**12. English Agriculture.**— Improvements in English agriculture, according to many historians, date from the Black Death in 1348. Prior to that time, English agriculture was intimately bound up with the manorial system, in which the land was owned by the king or his lords, and farmed by peasants, or villeins, working under the super-



*From an old print at the University of Illinois*

**Rent Day on an English Manor**

vision of hired bailiffs.<sup>1</sup> Each villein ordinarily cultivated a virgate (thirty acres) which was comprised in many small strips scattered over the manor. For the use of these strips he paid his lord in money or in labor.<sup>2</sup>

Such a system of agriculture was inefficient in that it was wasteful, and deadening to individual effort. The villein was not stimulated to gain new ideas about improving his methods of cultivation, much less to put these ideas in practice, for all the farming operations on the

<sup>1</sup> When a lord had several manors he employed a seneschal to oversee the bailiffs.

<sup>2</sup> By the time of the Black Death the general practice was to pay rent in money.

manor were governed by hard and fast custom, or by the villeins in public meetings. In either case there was little room for individual thought and individual improvement. Moreover, each villein knew that he was not likely ever again to farm the same strips.<sup>1</sup> The system was wasteful because it allowed too much land to lie idle. Under the two-field system but one-half of the arable land was cultivated in any year, while under the three-field system, which was a later step toward the rotation of crops, two-thirds of such land was cultivated.

The Black Death carried away between a third and a half of the rural population. Those who escaped demanded higher wages and better terms from their lords.<sup>2</sup> These demands many of the lords answered by turning their lands into sheep pastures, thereby lessening the number of laborers required. Others continued to rent all or portions of their manors to the villeins, who, with a small number of independent farmers, called yeomen, were able to supply grain enough for home consumption, and even at times for exportation.

During the Tudor period, agriculture underwent important improvements. More attention was given to rotating crops and to growing grasses. Consequently more land could be kept under cultivation than had been possible by the two-field or the three-field system. The widely scattered strips of land, which had characterized the manorial system of farming, were gradually enclosed to form large fields.<sup>3</sup> These the lords let out to tenants for varying terms of years.

Viewed with twentieth century eyes, English agriculture may seem to have been crude and wasteful when the first English settlements were made in the new world; yet the settlers in America knew enough about agriculture to recognize the advantage of rotating crops, and growing root grasses; and of allowing, as soon as it was practicable, each man, either as tenant or owner, to use a relatively large area of

<sup>1</sup> The strips were so allotted as to give each villein several different kinds of land.

<sup>2</sup> In an unsuccessful effort to counteract this demand Parliament in 1351 enacted the Statute of Laborers, which provided that farm laborers should work for the wages they had been accustomed to receive prior to the Black Death.

<sup>3</sup> This movement is known in English history as the Tudor enclosures, to distinguish it from a similar movement after the Black Death when a great deal of the land was enclosed for sheep raising.

land on such terms as would insure him a reward for industry and improvement.

**13. Manufactures.**—The Tudor period saw radical changes in English manufactures. By this time the gild system, which had practically directed trade and industry since the thirteenth century, had lost its power.<sup>1</sup> This loss of power had come about partly because of the obnoxious regulations of the gilds, which sought to monopolize trade, partly because the government desired to take over the direction of industry. The principal article of manufacture was woolen cloth.<sup>2</sup> In the larger towns many men gave their entire time to the manufacture of this cloth, for it was in great demand both at home and on the continent. The master weaver gathered about him a company of journeymen and apprentices, and his house was to the industry of the time very much what the modern factory is to present-day industry. The peasant farmer also contributed in a small way to manufactures. He and his family gave their spare time to spinning and weaving, for they could sell their surplus cloth at any one of the many annual fairs held in England. As it was with woolen cloth, so it was with many other articles of manufacture. The shoemaker, the tailor, the hatter — they and other master craftsmen — each had his group of journeymen and apprentices about him; while the peasant farmer turned his hand during spare moments to whatever industry he was best prepared to follow.

Although, as we shall see later, the English colonists in America were given little chance to engage in manufactures on a large scale, they did carry with them to the new world the best methods and practices known in England at the time of their emigration, and afterward they kept abreast of the improvements made in the mother country.

**14. England on the Sea.**—England's greatest industrial development under the Tudors was commercial. Early in his reign Henry

<sup>1</sup> Of the several different kinds of gilds the Merchant Gild and the Craft Gild were the most important. The former was the older, and for a long time the more influential. Gradually, however, the Craft Gild took over many of its functions.

<sup>2</sup> The importance of the woolen cloth industry dates from the enclosure following the Black Death.



VII undertook by treaties and navigation laws to extend English commerce to the principal European markets. In this undertaking he met with but fair success. During Elizabeth's reign, however, the commercial activities of the people were renewed with better results. Encouraged by the queen and her advisers, Drake, Hawkins, Davis, and Frobisher carried the English flag into every sea.<sup>1</sup> Such exploits gradually brought the English people to realize their favorable position as a naval power, and stimulated them to greater commercial activities.

The most significant development in this connection — the one that had the greatest direct bearing on English colonization in North America — was the trading company. In order to gain a share of the foreign trade the government chartered several trading companies. One was authorized to compete with the Hansards in the Baltic regions, another to divide the Mediterranean trade with the Venetians, and still another to tap the recently discovered trade in Russia and Persia. The greatest of all, the East India Company, was chartered in 1600 to trade in the Orient. A few years later (1606), two other trading companies, the London Company and the Plymouth Company, were authorized to settle colonies in America. The former founded Jamestown in 1607.

**15. Population.**— Throughout the Tudor period the bulk of the population of England, which amounted altogether to about 5,000,000, lived in the southern counties. The northern sections had not yet felt the impulse of growth and improvements that came with the Industrial Revolution in the eighteenth century.<sup>2</sup> Many of the older towns had fallen into decay, while new ones had sprung up and were prospering. This shifting of town population was caused by heavy taxation laid on the old towns, by attempts of the crown to restrict

<sup>1</sup> Queen Elizabeth is said even to have shared in the riches gathered by Drake in his piratical expedition against the Spanish settlements in South and Central America.

<sup>2</sup> For convenience the Industrial Revolution may be said to have begun in 1760. About that time the spinning jenny and the power loom were invented, and steam power was for the first time applied to manufacturing machinery.

certain manufactures to favored towns, and by the distasteful regulations of the gilds. Masters, therefore, preferred to carry their workers and materials to country districts, where they would be less hampered by heavy taxes, and less restricted by obnoxious regulations.

The working classes, which, as in all countries and in all ages, made up the bulk of the population, were fairly well housed and fed. It was not unusual for the town or village craftsman to have a garden, poultry, pigs, and even a cow. In many cases he had a small plot for farming purposes. The country people, on the other hand, often spent their winters in weaving and in other manufactures. Thus the workers as a class owned their tools and held an interest in the land, which cannot be said about the same class in any one of the more highly developed industrial countries at the present time.

Unfortunately, however, pauperism was on the increase, owing to a variety of circumstances. The confiscation of the monastery lands under Henry VIII beggared the priests and put an end to the alms formerly granted to the poor by the monasteries. Decreased opportunity for boys to learn trades, which had been brought about by the decay of the gild system, added to the suffering of the people. Treated even worse than the paupers were many men who had been thrown into jail for no other crime than that of being in debt.

**16. Regulation of Apprenticeship.**— During the reign of Elizabeth several laws for the regulation of industry were enacted. One of these laws, the Statute of Apprentices, later influenced the industry of the English colonies in America. The breaking down of the gild system had created confusion in the regulation of the terms and conditions applying to apprenticeship. Masters outside the larger towns had become careless in training their apprentices, with the result that craftsmen had become poorer workers than their fathers before them had been. The government, becoming alarmed at this condition of affairs, undertook in 1563 the regulation of apprenticeship by requiring that no one might practice a craft until he had served an apprenticeship of seven years. Provision was likewise made for securing to the apprentice an adequate training in the craft he had

chosen. Necessarily the English colonists in America modified these restrictions to suit their needs and condition of industry.

**17. Religious Differences.**— When Henry VII began to reign in 1485, the English people were loyal members of the Roman Catholic Church. A century later a majority of them had become Protestants. During Henry VIII's reign the nation broke away from the Catholic Church and established the Church of England with the king as its head.<sup>1</sup> Naturally many Englishmen remained loyal to the Catholic Church though they were punished for so doing. During the short reign of Edward VI there were few changes in the religious situation. But when Mary, the daughter of Henry VIII and granddaughter of Ferdinand and Isabel of Spain, came to the throne in 1553 she undertook to reinstate the old religion. She caused the Protestants to be persecuted and the more stubborn ones to be put to death.<sup>2</sup> Before she could fully carry out her plans of restoring the Catholic religion, however, she died and was succeeded by her half-sister, Elizabeth. The new queen believed that a majority of the people really desired the nation to be Protestant, and she acted accordingly. During her reign the Church of England, which was the state church, grew to be strong and wealthy, and its members held the places of authority in the government. The Catholics, on the other hand, were deprived of all power in the government, and even punished when discovered worshipping as Catholics. Elizabeth, like her father, Henry VIII, was popular; and the influence which her popularity brought enabled her, during a long reign of forty-five years, to maintain partial peace among the conflicting religious elements in the nation. After her death, in 1603, however, dissenting bodies broke away from the state church. Among them were the Pilgrims, who founded Plymouth in 1620.

<sup>1</sup> The Protestant Reformation in England was closely connected with Henry's divorce from his first wife, Catherine, who was the daughter of Ferdinand and Isabel of Spain.

<sup>2</sup> Mary was encouraged in her efforts to restore the Catholic worship in England by her husband, Philip II of Spain.

## ORAL AND WRITTEN EXERCISES

1. Trace on the map the approximate location of the principal trade routes from the Orient to the Mediterranean Sea.

2. Locate the cities of Constantinople, Bagdad, Cairo, Venice, Genoa, London, Dover, Hamburg, Calais.

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3. How did the Renaissance affect industry in Europe?

4. What were the effects of the Crusades on the Oriental trade?

5. How did the Reformation affect trade and commerce?

6. How was America affected by the industrial development of Spain? of France? of England?

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7. Who invented the printing press? How did this invention affect the discovery of America?

8. Who were the Mohammedans? the Turks? the Moors?

9. Who was Marco Polo? Sir Walter Raleigh? Sir Francis Drake?

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10. Suggested topic for oral or written report:  
The Industry of England during the Reign of Elizabeth.

A. AGRICULTURE.

1. Changes after the Black Death.

a. In methods.

b. In land holding.

2. Principal crops.

3. By-industries.

B. MANUFACTURES.

1. The Gilds.

2. Classes of workers.

a. Master.

b. Journeyman.

c. Apprentice.

3. The Statute of Apprentices.

4. Kinds of manufactures.

5. Rise of new towns.

C. COMMERCE.

1. Favorable situation of England.

2. Activities of the government.

a. Encouraged explorations.

b. Built a navy.

c. Legislated in favor of English trade.

3. The trading companies.

## 11. Important dates:

- 1453 — Capture of Constantinople by the Turks.
- 1485 — Accession of Henry VII.
- 1492 — Discovery of America by Columbus.
- 1517 — Beginning of the Protestant Reformation.
- 1588 — Destruction of the Spanish Armada by the English.
- 1603 — Death of Queen Elizabeth.

**SUPPLEMENTARY READING****The Renaissance.**

- SEEBOHM, F. The Era of the Protestant Revolution (Epochs of Modern History), pp. 1-7.
- SYMONDS, J. A. A Short History of the Renaissance in Italy, pp. 1-12, 121-131.
- CHEYNEY, E. P. A Short History of England, pp. 286-289.
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- ROBINSON, J. H. Readings in European History, vol. I, pp. 516-541.

**The Reformation.**

- SEEBOHM, F. The Era of the Protestant Revolution (Epochs of Modern History), pp. 212-231.
- CHEYNEY, E. P. European Background of American History (American Nation, vol. I), pp. 168-178, 200-215.
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**Continental Europe.**

- DAY, C. A History of Commerce, pp. 79-112.

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- CHEYNEY, E. P. European Background of American History (American Nation, vol. I), pp. 22-40.
- GIBBONS, H. DE B. History of Commerce in Europe, pp. 72-76.

**English Agriculture.**

- ASHLEY, W. J. Economic History, vol. I, pp. 261-288.
- CUNNINGHAM, W. The Growth of English Industry and Commerce during the Early and Middle Ages, pp. 398-409.
- CHEYNEY, E. P. Industrial and Social History of England, pp. 96-134.

### **English Manufactures.**

ASHLEY, W. J. *Economic History*, vol. I, pp. 191-242.

CUNNINGHAM, W. *The Growth of English Industry and Commerce during the Early and Middle Ages*, pp. 434-450.

WARNER, T. *Landmarks in English Industrial History*, pp. 134-150.

### **English Commerce.**

CHEYNEY, E. P. *Industrial and Social History of England*, pp. 75-94.

CUNNINGHAM, W. *Outlines of English Industrial History*, pp. 109-120.

WEBSTER, W. *General History of Commerce*, pp. 94-106.

CHEYNEY, E. P. *Readings in English History*, pp. 394-403.

## CHAPTER II

### EXPLORATION AND COLONIZATION

1492-1763

#### I. SPANISH, DUTCH, AND FRENCH COLONIZATION

18. **Spanish Possessions in the New World.**—The discoveries by Columbus in 1492 gave Spain first claims for colonial possessions in the new world. Subsequent discoveries by Columbus and other explorers sailing under the Spanish flag widened these claims and made them more secure.<sup>1</sup> Thus by 1525 Spain had colonial possessions in the West Indies, in Central America, in Mexico, and on the northern coast of South America. A few years later the Spanish directed their attention northward. In 1539 De Soto, at the head of six hundred men, landed at Tampa Bay, Florida. For three years he explored what are now the states of Florida, Georgia, Alabama, Mississippi, Tennessee, Arkansas, and Louisiana. In 1541 he discovered the Mississippi River. At about the same time (1540), Coronado, one of the Spanish governors of Mexico, led a force northward into the regions now known as New Mexico, Arizona, and Kansas in search of the seven wonderful cities of Cibola. Neither of these expeditions, however, influenced greatly the colonization of North America. The death of De Soto in 1542 so discouraged his followers that they fled in disorder to Mexico, almost all of them dying on the way. Coronado likewise returned to Mexico greatly disappointed in not finding gold and silver in abundance. In South and Central America and in Mexico the Spanish were more successful in securing permanent control; and because of this success they directed their energies to conquering and colonizing those sections rather than that part of North America which later became the United States.

<sup>1</sup> Other important Spanish discoveries: Americus Vesputius, 1499, 1501 and 1503—South America; Ponce De Leon, 1513—Florida; Balboa, 1513—Pacific Ocean.

The methods used by Spain to colonize America had several serious defects, chief of which was the attempt of the home government to make the settlements, not centers of diversified trade and industry, but places from which gold and silver mines could be easily worked, and the natives successfully exploited. The typical better-class Spanish emigrant had little notion of making a permanent home in the new world. He looked forward to a few years of hardships, and then a return to Spain with riches sufficient to support him in ease the rest of his life. The Spanish government itself encouraged such notions by neglecting to build up the trade and commerce of the colonies, and by giving too much prominence to seeking gold and silver. Consequently, the Spanish settlements in America lacked the permanence and stability necessary to make them important industrial centers, as were Massachusetts and Virginia.

**19. The Dutch in America.**—The Dutch as a people directed their energies in the way of exploration and colonization mainly to the Orient. They did, however, make one important settlement and several minor ones in North America. Soon after the English had settled Jamestown, the Dutch took possession of the mouth of the Hudson River. From there they moved up the valley, as far north as Fort Orange (Albany), where they established a strong trading post. To all this territory they gave the name New Netherlands; and to their settlement on Manhattan Island, the name New Amsterdam. The Dutch continued to rule over New Netherlands until 1664, when they were displaced by the English, who gave the name New York both to the province and to its chief town on Manhattan Island.

When the English took possession of New Netherlands, they found that the Dutch had built up a thriving fur trade with the Iroquois Indians; they found also that they had introduced into the colony a modification of the European feudal system in which the land along the Hudson River had been given to a few large proprietors, called "patroons," who, as overlords, had leased portions of it to tenants. The introduction of such a system had no apparent influence on land holding in the other colonies, but it shows how one attempt at least was made to transplant the medieval idea of land tenure to the new



world.<sup>1</sup> On the other hand, the fur trade which the Dutch had built up with the Iroquois was of supreme importance, not only to New York, but also to the other English colonies. It gave the English and colonial governments a strong Indian ally, which up to that time they had been unable to get; and this alliance, as we shall presently see, was an important factor in deciding the contest between the English and the French for the possession of North America.

**20. French Colonization.**—The French, not to be outdone by their English and Spanish rivals, attempted to establish colonies in both the southern and the northern sections of North America. The first attempt was made in what is now South Carolina (1562); the second, in Florida (1564). Both failed, on account of the hostility of the Spanish in those regions.<sup>2</sup> Later the French turned their attention to the north, where one of their number, Cartier, had led an exploring expedition in 1535; and in 1608, the next year after Jamestown was settled, they built a fort on the St. Lawrence River and named it Quebec.

From Quebec the French pushed up the St. Lawrence, and founded colonies at Montreal and Three Rivers. With these settlements as centers they gradually took possession of the Great Lakes basin until by 1673 they were fairly well acquainted with the entire St. Lawrence Valley. In that year Marquette and Joliet, exploring by authority of the French governor in America, discovered the upper waters of the Mississippi and explored it as far southward as Arkansas. Nine years later (1682) LaSalle, another Frenchman, explored the same river to its mouth, thereby laying a basis for a French claim to all of the Mississippi Valley. Following these discoveries, the French took nominal possession of the region by establishing missions and trading posts there.<sup>3</sup>

<sup>1</sup> During the first half of the nineteenth century there were many disputes over the question of the titles of lands originally in these large estates.

<sup>2</sup> In driving the French from Florida the Spanish established St. Augustine (1565), the first permanent European settlement in what is now the United States.

<sup>3</sup> Important early French settlements: Cahokia (Illinois), 1699; Kaskaskia (Illinois), 1700; Detroit (Michigan), 1701; New Orleans (Louisiana), 1718; Vincennes (Indiana), 1732.

French methods of colonization in North America were necessarily influenced by the home government and by the industrial ideals and activities of the colonists. Located in the cold, inhospitable north with the great St. Lawrence Valley at their back, the early French settlers found the fur trade to be the best paying industry to which they could turn their hand. The European demand for furs made trapping, and trading with the Indians a thriving business; and to supply this demand the French settlers devoted their best energies. Consequently, they explored the interior of the continent, not with the idea of planting settlements, but rather with the idea of tapping new sources of Indian trade. Instead of founding colonies, they built forts and stockades; instead of sending out settlers with their families, they sent soldiers and traders. This method of occupying the interior was but natural, for the permanence and prosperity of the fur trade depended on the country's remaining a wilderness.<sup>1</sup> Such methods of colonization, however, burdened the French both at home and in the new world with heavy responsibilities without giving them a corresponding increase in wealth and military strength. They were too few in numbers in America to guard their vast territories against the encroachments of the English.

## II. ESTABLISHMENT OF THE THIRTEEN ENGLISH COLONIES

21. **First Permanent English Settlement in America.**—The first permanent English settlement in America was made at Jamestown, Virginia, in 1607. Like the Spaniards in Mexico and South America, the first settlers were seekers of gold and silver. In England they had belonged to a class unaccustomed to agriculture or industry. They were brave men and, as events proved, willing to undergo hardship and suffering, but they were wholly unprepared to become laborers in the fields or in the shops. During the first few years the settlers at Jamestown suffered great privation. They found neither gold nor silver, nor any other form of wealth which they could get

<sup>1</sup>For the same reason the traders and trading companies almost always opposed the activities of the priests in attempting to civilize the Indians.

without hard work. Naturally they were disappointed.<sup>1</sup> But for the courage and good sense of their governors, Captain John Smith, Lord Delaware, and Sir Thomas Dale, they would have abandoned the enterprise and returned to England. Fortunately, however, they began, in 1612, the cultivation of tobacco, which brought them, quite unexpectedly, the riches they had come to the new world to seek.

By turning their attention to agriculture, the settlers of Virginia gave to the colony an industrial permanence which it otherwise would not have had; and, with this permanence attained, they were better prepared to work out the problems of government. Thus in 1619 they established representative government in the new world by calling together a general assembly composed of delegates or burgesses from the eleven boroughs, or towns, of Virginia. Five years later (1624), Virginia became a royal province, with a governor and council appointed by the Crown and a house of delegates elected by the settlers.

**22. The Plymouth Settlement.**—The second permanent English settlement in America was made by the Pilgrims at Plymouth, Massachusetts, in 1620. Unlike the first settlers at Jamestown, all of whom were men, this small band of less than a hundred was composed of men, women, and children. They had come to the new world for the purpose of establishing a home where they could live under English rule and still worship God as they pleased<sup>2</sup>; and, as the Compact made by them while yet on the *Mayflower* shows, they had supreme faith in their undertaking. All of them were frugal and industrious, while the men were skilled in agriculture or trade. On a cold, blustering day in December, they went ashore from the *Mayflower* fully determined to establish a permanent home in the new world. This they did, but not without great difficulty. During the remainder of that winter death was a frequent visitor to the little colony. Yet not one

<sup>1</sup> Soon after the settlement was made the colonists sent back to England a ship-load of glittering earth, thinking it was gold.

<sup>2</sup> Many of the Pilgrims came directly from Holland, where they had been living for several years. There they had seen their children growing up more as Dutchmen than as Englishmen, hence their great desire to return to English authority.

of the colonists returned to England when the *Mayflower* sailed away in the spring. During the summer they planted their fields, built houses, and established friendly relations with the Indians. Soon, other settlers came to Plymouth until finally the colony was firmly established.

Plymouth was soon outdistanced, however, by other New England towns. The rapid growth of Boston, which was established in 1630,



The Mayflower in Plymouth Harbor

From a painting by William F. Halsall in Memorial Hall, Plymouth, Massachusetts.

and the internal dissensions among the colonists over religious questions, combined to rob Plymouth of a great deal of her importance as a center of New England industry and life.

**23. Other New England Settlements.**—Three years after the Pilgrims landed at Plymouth, an English settlement was made in New Hampshire near the mouth of the Piscataqua River. Later other settlements were made there, and also in what is now the State of Maine. In 1641 New Hampshire was united to Massachusetts; in 1680 it became a royal province.

Another New England settlement — the one which soon came to

be the most important in that region — was Boston (Massachusetts Bay). John Winthrop, the first governor, brought with him a charter, which several influential Puritans had secured, for a colony in New England. Thus for the first time the settlers carried their charter with them to America. Under the leadership of Winthrop the colonists formed for themselves a government practically independent of the king and Parliament. The Massachusetts Bay Colony, which in effect came to be Massachusetts, lost its charter in 1684, but regained it in 1691, soon after the "Glorious Revolution" had placed William and Mary on the English throne, as successors of Mary's father, James II.

The settlement of Connecticut resulted from several independent movements, one of which was the desire of certain members of the Massachusetts Bay Colony for more land than they could get around Boston. Accordingly in 1636, two years after the first emigrants had gone into Connecticut, the Reverend Thomas Hooker led a portion of the Cambridge congregation to the Connecticut River, where they founded Hartford. The same year another company from Boston built a fort at the mouth of the river. Other independent settlements sprang up. In 1662 they were combined under a charter granted by Charles II of England.

Rhode Island, like Connecticut, was founded by seceders from the older colonies. In 1636, Roger Williams, who was out of harmony with the religious views of the people of Massachusetts, led a small band to the head of Narragansett Bay.<sup>1</sup> There he made a settlement to which he gave the name Providence. He founded it on the principle that every man had a right to whatever religious beliefs he cared to hold. In 1643 Williams secured a patent for the "Providence Plantations," which authorized the settlers to govern themselves. Twenty years later (1663), Charles II granted Rhode Island a charter containing the liberal provision that no one should be molested on account of his religion.

<sup>1</sup> Williams opposed also the union of church and state, compulsory church attendance, and involuntary contributions. He wrote a pamphlet declaring that the king was an intruder without right to grant American lands to the settlers, and that valid titles could be obtained only from the Indians.

**24. The Middle Colonies.**— We have seen already how the Dutch colonized New Netherlands and how they were driven out by the English in 1664. The Dutch were also the first to make settlements in two other colonies, New Jersey and Delaware, but in neither case were they allowed to hold their possessions. In 1617 they crossed over from Manhattan Island and founded Bergen. Later they built a fort on the Delaware River opposite Philadelphia. In 1631 they established a trading post in what is now the state of Delaware.

The English denied the validity of the Dutch claim to New Jersey. Accordingly in 1664 Charles II made his brother, the Duke of York, proprietor of that region. The next year an English settlement was made at Elizabethtown. Becoming weary of a dispute with the colonists over the question of rents, the proprietors sold the colony to the Quakers,— West Jersey in 1674, and East Jersey in 1682. In 1702, however, the two Jerseys were united and made a royal province.

In colonizing Delaware there appeared a new element in North America. Sweden, not to be outdone by her European rivals, sent, in 1638, a colonizing expedition to the new world. The result was a Swedish settlement on the Delaware River, called Christina, which afterwards became Wilmington. The Swedes were not permitted, however, to retain their colony. A Dutch force from New Netherlands captured Christina in 1655, but the expulsion of the Dutch government from North America in 1664 placed Delaware in the hands of the English. In 1682, the Quakers, who had settled in Pennsylvania the previous year, purchased the territory and temporarily annexed it to Pennsylvania.

Another middle colony, Maryland, was founded in 1634 by Lord Baltimore, who desired to provide a place in the new world where English Catholics could worship without molestation. Accordingly Maryland became a refuge, not only for Catholics, but also for all whose religious beliefs made them obnoxious in any of the other English colonies. In time, however, the Catholics were outnumbered three to one, with the result that they themselves were persecuted in the very colony they had established, and in spite of the fact that they had formerly welcomed colonists of all shades of religious belief.

Bitter religious struggles followed. These the king brought to an end in 1692 by making Maryland a royal province. Later, in 1715, the colony was returned to one of the Baltimores, who was a Protestant.

The last of the middle colonies to be settled was Pennsylvania. In 1681, Charles II gave to William Penn a large tract of land extending from the west bank of the Delaware River into the interior. At once Penn sent over several hundred emigrants to his new possession. The next year (1682) he himself came to America. Here Penn provided for the well-being of his colonists and laid down wise rules for dealing with the Indians.<sup>1</sup> The colony grew rapidly, Philadelphia, its chief city, soon taking rank with Boston and New York in size and industrial activity.

**25. Settlement of the Carolinas and Georgia.**—There remains to be noticed the settlement of three other English colonies,—South Carolina, North Carolina, and Georgia. In 1663 Charles II granted to several of his favorites, as proprietors, a large tract of land in America extending from Virginia on the north to the Spanish possessions on the south. Six years later (1669), the proprietors adopted a plan of government which had been drawn up by the philosopher, John Locke, in which the people were to be divided into classes very much as the English people had been divided in the middle ages. According to this plan, which is known as the "Grand Model," there were to be negro slaves, serfs, independent farmers, small nobles, and a few greater nobles.

When the proprietors took possession of their grant, they found

<sup>1</sup> This treatment is shown by the following extract from Penn's Treaty with the Indians, 1683: "When the purchase was agreed, great promises passed between us of kindness and good neighbourhood, and that the English and Indians must live in love as long as the sun gave light; which done, another made a speech to the Indians, in the name of all the sachamakers or kings; first, to tell them what was done; next, to charge and command them to love the Christians, and particularly to live in peace with me and the people under my government; that many governors had been in the river; but that no governor had come himself to live and stay here before: and having now such an one, who had treated them well, they should never do him or his any wrong; at every sentence of which they shouted, and said Amen in their way. . . . We have agreed, that in all differences between us, six of each side shall end the matter. Do not abuse them, but *let them have justice, and you win them.* Reprinted in Hart's *Contemporaries*, Vol. I, p. 558.

that colonists from Virginia had already settled there. Soon others came from England until by 1675 several flourishing settlements had been established in the Carolinas. Of these the most important was Charleston, founded in 1672. For twenty years the proprietors tried to enforce the provisions of the "Grand Model." Then they gave the matter up in disgust, and naturally so, for such a scheme as they had attempted was bound to fail in a country where land and opportunity were as plentiful as they were in America. In 1720 the colony became a royal province, and in 1729 it was divided into South and North Carolina.

The last of the thirteen English colonies to be settled was Georgia. In 1732 George II granted to James Oglethorpe and others a charter for a tract of land bordering on the Savannah River. Both the king and those to whom he made the grant had in mind the establishment of a colony in the new world where the poor, particularly debtors, might have a chance to improve their conditions by starting life anew. The next year (1733) Oglethorpe at the head of a small body of settlers came to America, and on the Savannah River, which marked the eastern boundary of his new colony, he founded the town of Savannah. As the population of the colony increased, opposition to its management by the proprietors arose. As a result they surrendered it to the king, who made it a royal province in 1752.

### III. THE STRUGGLE FOR NORTH AMERICA

26. *Character of the English Colonists.*— Before turning our attention to the conflict between England and France for control of the North American continent, let us examine briefly the chief characteristics of the colonists of each country, and the extent of their respective colonial possessions.

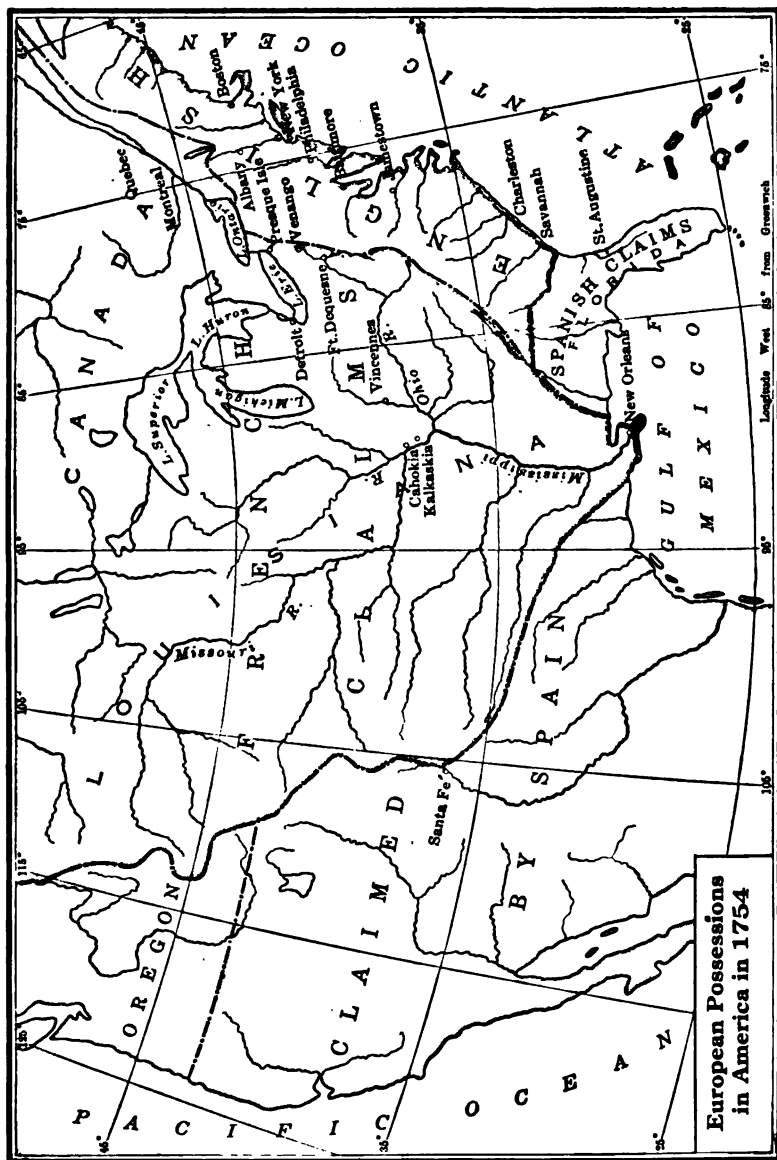
Fortunately for the English colonies in America, conditions in England were such as to force many of her most industrious citizens to emigrate to the new world. Some of them came to find religious freedom; others, to escape the tyranny of the English government; but all of them came in the hope of bettering their condition of industrial life.



After the first few years of settlement, few if any of the English emigrated to the new world with the idea that they could find rich mines of gold and silver. Instead they realized that, while America was a land of wealth, the getting of it would require toil and perseverance. The same realization discouraged the lazy and improvident from emigrating; hence the Englishmen that settled in the new world possessed higher industrial traits than the classes from which they had sprung in the mother country.

In seeking religious and political freedom the colonists had shown an independence of thought and action essential to industrial and social progress. At first they were intolerant and bigoted, but they soon learned that in a new country, where men had equal opportunities, it was necessary to co-operate in order to succeed. Hence they gave and took, each man's opinions undergoing the changes necessary to bring them into harmony with the opinions of his neighbors. In addition to compelling toleration in religion and politics, the environment of the new world strengthened the spirit of independence which the colonist had brought with him. It caused each man to realize his worth, since worth was necessary to success; and because it gave unlimited opportunity, it stimulated him to his best endeavors. Furthermore, the English colonists were little hampered by governmental restrictions, and for that reason they responded to the frontier influence much more thoroughly than did either the Spanish or the French.

**27. Character of the French Colonists.**—The French colonists in Canada, on the other hand, owing to the nature of their industrial activities and to the attitude of the home government toward its colonial possessions, developed characteristics radically different from those developed by the English colonists. In the first place they had not come to the new world with a great purpose. Second, the French government looked after them too closely to allow a proper development of independence, either political or industrial. Third, they were too often adventurers or soldiers who looked on the new world as a place in which to gather riches rather than to make a permanent





home. Thus the French colonists increased but slowly in numbers, developed no great ideals, depended too much on the French government, and, what was not less important, they failed to acquire a proper attachment for their adopted home.

**28. Extent of the English and French Possessions in 1750.**— We have seen already how the English and the French each made their settlements in North America and how they extended their possessions into the continent. Thus in the year 1750 the English controlled a narrow strip of territory lying between the Atlantic Ocean and the Allegheny Mountains, extending from Florida on the south to Newfoundland on the north. Already they had reached the summit of the mountains in several places and crossed over, while in New York they had spread out into the interior beyond. Likewise a large but indeterminate area around Hudson Bay was held for the English by



**La Salle at the Mouth of the Mississippi**

In 1682 La Salle discovered the mouth of the Mississippi River and took possession of all the regions drained by it and its tributaries in the name of "Louis the Great, King of France"

the Hudson Bay Company. The French controlled the St. Lawrence region and had nominal possession of the Mississippi Valley.

**29. Earlier Conflicts Between the English and the French.**— Prior to the breaking out of the French and Indian war in 1754, England and France had waged three contests in North America. The first, known in American history as King William's war, lasted from 1689 to 1697; the second, Queen Anne's war, from 1702 to 1713; and the third, King George's war, from 1744 to 1748. Neither side had gained material advantages in these wars; yet if there was an advantage it rested with the English, for they had extended their territory beyond the mouth of the St. Lawrence at the expense of the French. Neither side was satisfied with the results. The English believed that France ought to be driven from North America, while the French insisted that they be allowed to retain unmolested the St. Lawrence and Mississippi valleys.

**30. The French and Indian War.**— Preliminaries to the French and Indian war opened in western Pennsylvania in 1754 and 1755 when the English and the French clashed over possession of the Upper Ohio Valley. Between that time and the fall of Quebec in 1759 the English with the assistance of their Indian allies, the Iroquois, captured Forts Duquesne, Niagara, Ticonderoga, and Crown Point.<sup>1</sup> Their main objective point, however, was the strong French fort at Quebec. If they could capture it they would control the St. Lawrence Valley. Accordingly, the English under the command of General James Wolfe besieged the fort, and took it by storm in 1759. Four years later the French, by the Treaty of Paris, gave up to England practically all of their North American territory lying east of the Mississippi River. Thus with the dangers of French invasions removed, the English colonists had a better chance to develop and extend their industry, provided, of course, that they were not unduly hampered by the mother country.

<sup>1</sup> The Iroquois had been enemies of the French ever since Champlain had fought them on the shores of the lake which bears his name.

### ORAL AND WRITTEN EXERCISES

1. Locate Jamestown, Plymouth, Boston, Providence, Hartford, New Haven, New York, Elizabethtown, Wilmington, Philadelphia, Baltimore, Charleston, Savannah, Quebec, Montreal, Three Rivers, Detroit, Cahokia, Kaskaskia, Vincennes, New Orleans.

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2. What was the Spanish method of colonization? French method? English method?

3. How did the first settlers at Jamestown differ from the Pilgrims?
  4. Just how did religious differences assist in colonizing America?
  5. How did frontier life affect the manners and habits of the colonists?
- 

6. Who was John Smith? Pocahontas? Miles Standish? Anne Hutchins?  
"King Philip"? Peter Stuyvesant?

7. What was the Salem witchcraft?
  8. Who were the Jesuits? The Coureurs de Bois?
  9. Who was Evangeline?
- 

10. Suggested topics for oral or written report: (See end of Chapter I for outline form).

Some Causes for the Settlement of the English Colonies.

The Methods of Settlement Employed by the English, French, and Spanish.

The Contest between the English and French for Possession of North America.

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11. Important dates:

- 1607 — First English settlement at Jamestown.
- 1619 — Representative government instituted in the colonies.
- 1620 — Second English settlement at Plymouth.
- 1673 — Discovery of the Upper Mississippi River.
- 1733 — Last (thirteenth) English Colony settled at Savannah.
- 1763 — Treaty of Paris

## SUPPLEMENTARY READING

**Spanish Colonization.**

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**Settlement of the English Colonies.**

THWAITES, R. G. The Colonies (Epochs of American History, vol. I), pp. 65-95, 113-153, 196-217.

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**Intercolonial Wars.**

HART, A. B. Formation of the Union (Epochs of American History, vol. II), pp. 23-41.

THWAITES, R. G. The Colonies (Epochs of American History, vol. I), pp. 252-257.

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CHAPTER III  
POPULATION AND SYSTEMS OF LABOR  
1607-1763

I. LIFE IN THE COLONIES

31. **Colonial Self-Government.**—As was to be expected, the English government very generally maintained nominal authority over the colonies. Conditions, however, such as the great distance between England and America, the slowness of communication, and the eagerness of the colonists for self-government, brought it about that the colonists themselves had a large share in regulating their own affairs. At first the settlers of each colony were able to come together in mass meetings to decide matters of government, but the increase in population and the spread of settlement soon made such a practice impossible. Then the people elected representatives to look after colonial affairs, reserving for themselves direct oversight of roads and bridges, schools, police, and public charity, and, in some of the colonies, religious affairs. In the South the political unit was the parish; in the North, the town. The right to vote was generally limited to property owners, and in some of the colonies to those holding certain religious beliefs.<sup>1</sup>

During the century and a half of colonial life, the colonial governments, notably Massachusetts, underwent important changes, but the following classification shows roughly the types of colonial governments about 1750.

COLONIES — SELF-GOVERNING

(Charter)

(1) Connecticut

(2) Rhode Island

<sup>1</sup> For an excellent short account of colonial local government, see Hart's *Formation of the Union* (Epochs of American History), pp. 11-13.



## COLONIES—NON-SELF-GOVERNING

(Royal)

- |                    |                   |                    |
|--------------------|-------------------|--------------------|
| (3) New Hampshire  | (4) Massachusetts | (5) New York       |
| (6) New Jersey     | (7) Virginia      | (8) North Carolina |
| (9) South Carolina | (10) Georgia      |                    |

(Proprietary)

- |                   |               |               |
|-------------------|---------------|---------------|
| (11) Pennsylvania | (12) Maryland | (13) Delaware |
|-------------------|---------------|---------------|

**32. Religious Side of Colonial Life.**—English colonists in America,

as we have already noticed, held widely different religious views. The first settlers in New England emigrated to the new world in order, as they said, to escape the tyranny of the Church of England. They laid down definite regulations for worship, and provided punishment for those who disobeyed them.<sup>1</sup> Soon, some of the colonists, finding themselves out of sympathy with these regulations, started new settlements where they could worship as they pleased. Consequently, there sprang up in New England a number of Protestant bodies, each



The hostility of the Indians compelled the early settlers of New England to keep closely together even in going to church.

<sup>1</sup> It ought to be noted in passing that the early settlers of New England made no pretense of religious toleration. In other words, they did not seek liberty in religion, but a place where they could control the forms of worship.

differing from the others in what its members considered the essentials of Christianity. In 1750, the leading denominations there were the Congregationalist, the Episcopalian, the Baptist, and the Presbyterian.

The middle colonies likewise contained a variety of religious bodies. When, in 1664, the English took New York from the Dutch, they found it advisable not to molest the Dutch Reformed Church. Later, however, in 1692, the colonial government made an unsuccessful attempt to secure exclusive public support for the Church of England. In Pennsylvania, where the influence of the Quakers predominated, no one was persecuted on account of his religious beliefs. Penn in laying down rules for his colony had provided that freedom of worship should be extended to all Protestant bodies. Moreover, the Quakers, mindful of the persecutions they had suffered both in England and in the other colonies, manifested a tolerant spirit toward all religious bodies, not excepting even the Catholics. In Maryland the struggle over religious differences was very bitter, sometimes even bordering on civil war.<sup>1</sup> When that colony was settled, the Catholics, who were then in the majority, had welcomed Protestants. Later, when the Protestants came to power, they persecuted the Catholics by refusing to allow them to worship in public or to take part in the colonial government.

Virginia and the Carolinas, as well as Maryland, had a state (established) church, the Church of England, called in America the Episcopal Church. In these colonies the people were taxed to support the established church, even though they were members of some other church, or of no church. In Virginia the ministers were selected annually by the vestrymen, who were usually rich planters; in South Carolina by vestrymen elected by the people; and in Maryland by the proprietors. In all the colonies the members of the Episcopal churches were divided over the question of having an American Bishop appointed. Because of the opposition to such a scheme the

<sup>1</sup> The famous Maryland "Toleration Act" of 1649 declared no person professing to be a Christian should be "molested or discountenanced for or in respect of his or her religion, nor in the free exercise thereof."

Bishop of London attended to licensing ministers for the colonial Episcopal churches.

Although a dominating church existed in each of the colonies, it must not be thought that other religious bodies did not thrive alongside it. In South Carolina were many Baptists and Methodists; in Georgia and North Carolina, Methodists, Scotch Catholics, and Jews; in Pennsylvania, Lutherans, Moravians, and Mennonites; in New York, members of the Dutch Reformed Church; in Maryland, Catholics; and in Rhode Island, Baptists, Catholics, and Jews. Even in Virginia, where the established church was strongly fortified against dissenting religious bodies, the Presbyterians were welcomed as settlers in the Shenandoah Valley.

Although the colonial period was characterized by religious intolerance and persecution, there were two classes, the Catholics and the Jews, who were particularly obnoxious to the great bulk of the population. In some colonies, to be sure, as in Pennsylvania and Rhode Island, the Catholics were allowed to live in comparative peace; but in none of them were they on an equality with their Protestant neighbors. The colonists hated the Jews also, but they allowed them to live in the larger towns, and even to have their own places of worship.

**33. Education.**—Educational advantages and school facilities varied greatly from colony to colony. Within a decade after Boston was settled, we find there not only flourishing public elementary schools but also a college devoted to higher education.<sup>1</sup>

What was true of Massachusetts was likewise true of the other New England colonies. Schools and colleges were established on a liberal basis, and while they were not free in the modern sense of that expression, they did offer educational advantages to the masses. In the other colonies education was less desired and even discouraged.

<sup>1</sup> In 1636 the General Court of Massachusetts appropriated £400 to found a college at Cambridge in order that "the light of learning might not go out, nor the study of God's word perish." Two years later the Rev. John Harvard, who had come to America in 1637, bequeathed his library and £800 to the new college, which the General Court decreed should bear his name.

Governor Berkeley of Virginia is said to have expressed the hope that free schools might never be opened in that colony. A Pennsylvania law provided that all parents should teach their children to read and write under a penalty of five pounds for failure to do so. In Maryland, the law directed the establishment of a school in each county; while in New York, especially during its early history, we find the



Harvard College, Cambridge, Massachusetts. The oldest institution of learning in the United States. Founded in 1636.

schools operated in connection with the churches of the Dutch Reformed denomination.

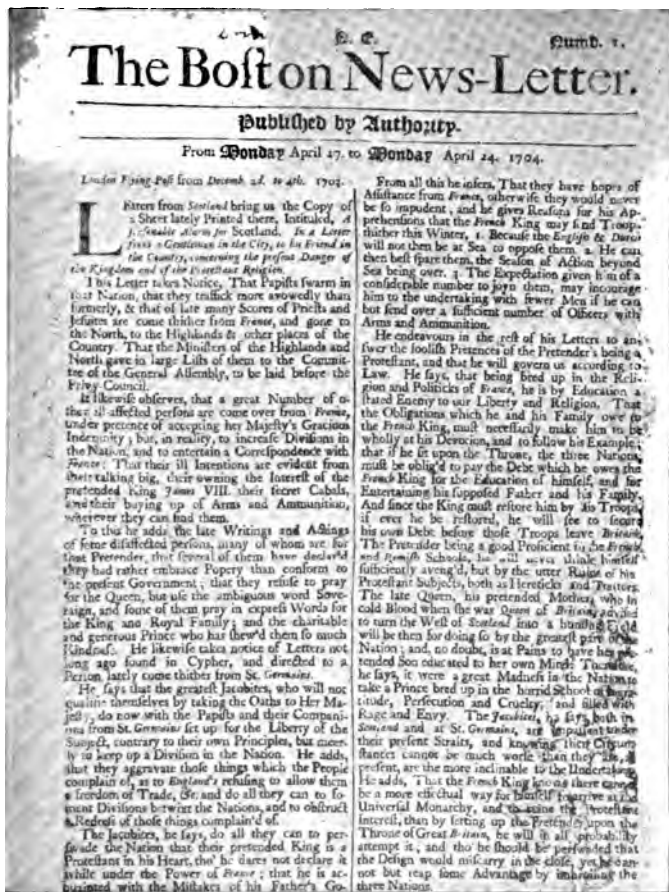
In spite of the frontier environment higher education developed rapidly in the colonies. Many of the colonists were graduates of English universities, and very naturally as soon as they had become established in the new world they set about founding higher institutions of learning, where ministers and missionaries especially could prepare themselves for their life's work. Thus by 1764, seven such institutions had been established in the colonies, as follows:

## COLLEGES ESTABLISHED BEFORE 1765

College	Location	Date Established
Harvard . . . . .	Cambridge, Massachusetts . . . .	1636
William and Mary . . . . .	Williamsburg, Virginia . . . .	1693
Yale . . . . .	New Haven, Connecticut . . . .	1701
Princeton (College of New Jersey) . . . . .	Princeton, New Jersey . . . .	1746
Pennsylvania . . . . .	Philadelphia, Pennsylvania . . . .	1753
Columbia (Kings) . . . . .	New York, New York . . . .	1754
Brown . . . . .	Providence, Rhode Island . . . .	1764

Another evidence of the spirit of education is seen in the growth of public and private libraries and in the establishment of newspapers. Many of the settlers, particularly in New England, were not only well read, but also writers of some note. They stimulated the buying of books and the building up of libraries. In fact, the business of book selling in the larger towns was exceedingly profitable. The first printing press in the colonies was set up at Cambridge, Massachusetts, in 1639. Two generations later (1704) the publication of the first permanent newspaper, the *Boston News Letter*, was begun. Soon other newspapers were established in Boston, Philadelphia, New York, Annapolis, and Williamsburg. By 1740 there were eleven newspapers in the colonies, one each in New York, Virginia, and South Carolina, three in Pennsylvania and five in Massachusetts. The first daily, the *Pennsylvania Packet*, was established at Philadelphia in 1784.

**34. Colonial Literature.**—Early colonial literature, which was largely the work of New England churchmen, was characterized by a somber hue and a ponderous style. Much of it had to do with religious worship and church controversy. Later, particularly on the eve of the Revolutionary War, political problems absorbed the attention of both writers and readers. Of the earlier period the two most prolific writers were Increase Mather and his son, Cotton. The former was the author of one hundred sixty books or tracts, the latter, of three hundred eighty-two. Another brilliant writer was the noted preacher and college president, Jonathan Edwards. More popular, and certainly more entertaining, were the histories of Virginia by John Smith and William Strachey, and of Massachusetts by John Winthrop and William Bradford.

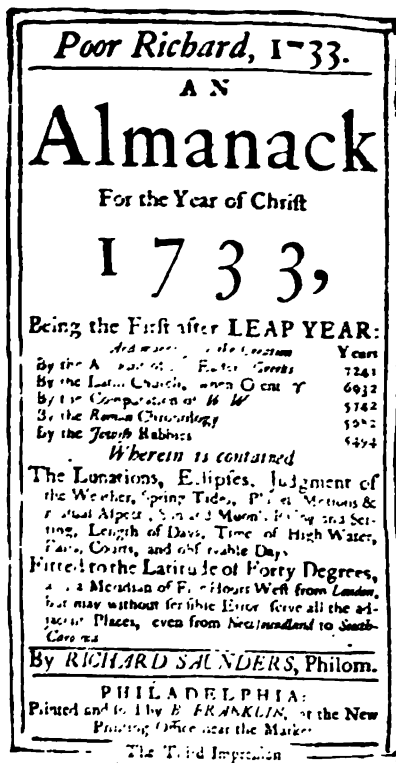


Fac-simile of the Boston News-Letter

No account of colonial literature would be complete without a notice of the writings of Benjamin Franklin, whom Professor Channing calls the "first great American." Born in Boston in 1706, Franklin grew to young manhood in the New England metropolis. As was customary in those days, his father bound him out as an

apprentice. His brother James, who conducted a Boston newspaper, became his master. Later Franklin removed to Philadelphia where he established the *Pennsylvania Gazette*. Throughout his long life he

was a tireless writer, but he is best known as the author of *Poor Richard's Almanac*, which contains so many wise sayings characteristic of American life.



Fac-simile of page of Poor Richard's Almanac

35. *Society in the Colonies.* — Contrary to what one might expect in a new country, social lines in the colonies were drawn rather rigidly. The highest title was *Esquire*. Those privileged to bear this title resented being addressed as *Mr.*, while the members of each of these classes considered themselves distinctly superior to the more common *goodman*. Distinctions in rank and title are generally considered to have been more closely adhered to in the South, yet in all the sections they played an important part in the lives of the people. Even in New England, where so much has been heard of equality, they had a place. College boys, for

example, were arranged in classes according to the social standing of their parents. Even the college catalogs contained similar classification in listing the students. In matters of religion one finds the same attempt to separate the people into social groups. Church pews and benches were carefully assigned by the local authorities

according to the social prominence of the worshipers. Thus New London voted "Mrs. Green, the deacon's wife, into the foreseat on the 'Woman's side,' and Mrs. Jiggels into the third seat." The same authorities were called upon to settle matters of social precedence even within families. "The families of two brothers-in-law occupied a pew together: the upper seat being the post of honor, neither wife would yield precedence, and the quarrel waxed strong. Finally the town meeting appointed a committee to hear all the facts and assign the seats."<sup>1</sup>

Class distinctions were further emphasized, very much as they are today, by the wearing apparel of both men and women. The mass of the people,—merchants, traders, farmers, and mechanics,—wore the common homespun. Frontiersmen and common laborers often had to be content with garments made of deer skin. The richer classes, however, imported their clothing, which was similar in material and workmanship to that worn by the English upper classes. In fact, the dandy with his rich garments of velvet, silk, and lace might have been seen parading himself in the older settled and more densely populated sections of the colonies.

This matter of dress was important enough to receive the attention of the colonial authorities. The early settlers of Massachusetts prescribed rather minutely the manner in which the people might dress. Later, in Connecticut, the colonial assembly declared that "what persons soever shall wear gold or silver lace, or gold or silver buttons, silk ribbons, or other superfluous trimmings, or any bone lace above three shil. per yard or silk scarves, shall be assessed at one hundred and fifty pound estate." In practically all of the colonies during the earlier years of settlement poor persons were punished for daring to wear clothing considered by the authorities to be too costly for their means or too elaborate for their station in life. As time went on and the people became more jealous of personal liberty, attempts to regulate the matters of dress became fewer and finally ceased altogether.

<sup>1</sup>For various methods of assigning church pews, see Weeden's *Economic and Social History of New England, 1620-1789*, vol. I, pp. 74, 75; vol. II, pp. 528-530, 699, 740.



A custom, which now seems to us to have been as queer as it was useless, was the wearing of wigs. One writer has gone to the extreme by saying that only convicts and paupers did not wear them. Certainly the practice was general among the higher classes, for scarcely a portrait of the eighteenth century lacks the well-kept, powdered wig. The Quakers criticized the custom;<sup>1</sup> also here and there in New England, church quarrels arose over the practice of ministers, wearing wigs while delivering their Sunday morning sermons.



Jonathan Edwards  
Born, 1703. Died, 1758

Naturally enough the houses of the people and their furnishings indicated roughly the social station of their owners. At first the colonists lived very much alike in their hastily constructed log huts. In time the more prosperous ones built houses of sawed lumber, and even of brick or stone. In the cities there gradually appeared distinctive types of colonial houses, which were models of architectural beauty. Likewise

on the southern estates we find, at Mount Vernon for example, the plantation mansion with its long open porch and stately columns. Such houses were of the highest type and owned by the very rich. The great mass of the people continued through that period, as they do to the present time, to live in modest houses built of wood or brick. In the older settlements and even along the frontier the poorer people lived very much as the same classes live today. They had the necessities with but few, if any, of the luxuries of life. The middle classes were better housed; and, while they did not dream of

<sup>1</sup> Although the Quakers, rich and poor alike, were simple in tastes and habits, each Pennsylvania and Delaware village had its Quaker "squire," or magistrate, with powdered wig, broad ruffles, cocked hat, and gold headed cane, who meted out justice at the neighboring tavern and was highly regarded.

the conveniences often found in the modern workman's cottage, they enjoyed the rude abundance that always characterized colonial life. The homes of the very wealthy compared favorably in comfort and equipment with the best that England could then afford.<sup>1</sup>

To get an idea of the social activities of the people of colonial days, we need but consider their surroundings and their opportunities, for



Longfellow's Home, the Craigie House, Cambridge, Massachusetts  
The old "Craigie House," built in the 18th century, was occupied by General Washington in 1776.

human nature has changed little since then. They worked hard on the farm, in the shop, and before the mast. Naturally they enjoyed relaxation from labor just as people do today. They had their shooting matches, their drill days, and their horse races. Instead of moving pictures and vaudeville and the Sunday paper, they had debates, entertainments, and the Sunday morning sermon. Then as now, boys skated, coasted, and trapped small game; girls as pretended grown-ups played with their dolls; men talked politics and religion, raced horses,

<sup>1</sup> Excellent accounts of the habits and customs are found in Weeden's *Economic and Social History of New England, 1620-1789*. Consult Index.

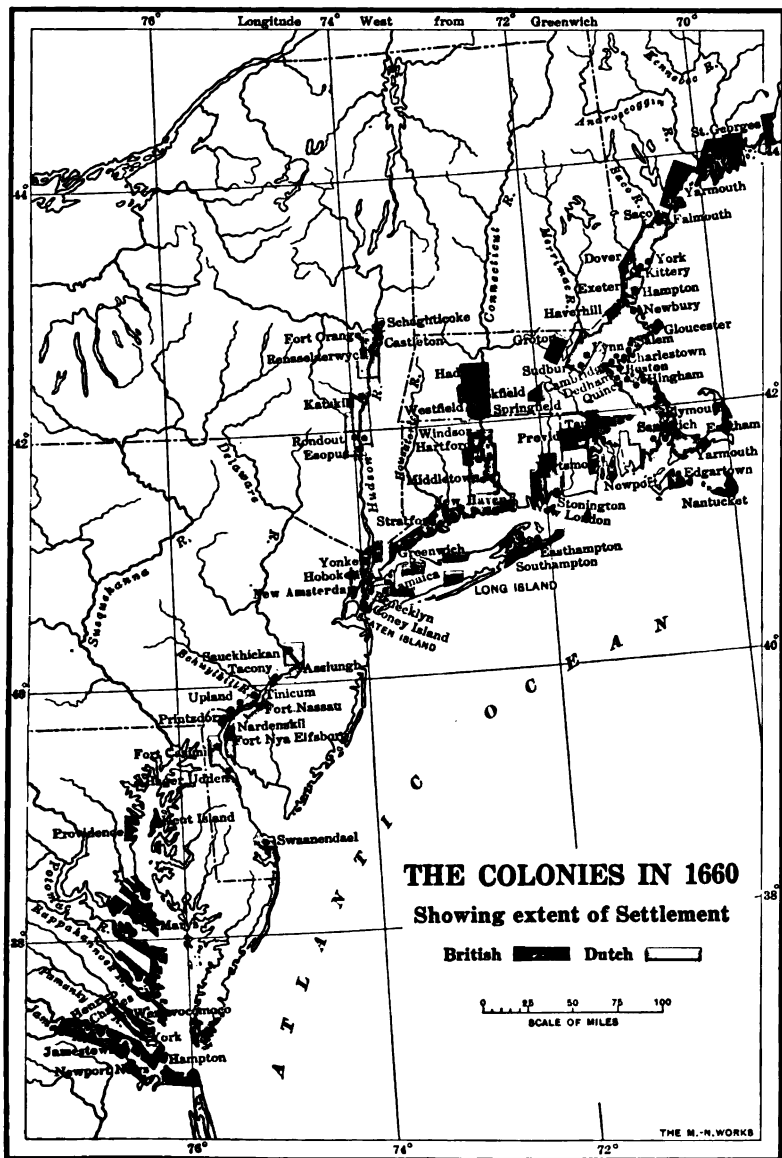
and hunted foxes; the women gathered to discuss styles of dress and household management. They had their hopes, their joys, and their sorrows; some prospered, some failed; ambition and greed prompted



Mount Vernon, home of George Washington, on bluff above Potomac River

some to overreach their neighbors; births, marriages, and deaths followed each other in endless succession.

**36. Punishment for Crime.**— Conviction of lawbreaking, during the colonial period, carried with it a variety of severe punishments, the most common of which was flogging. Children and servants, and even freemen, were often publicly whipped for such minor offenses as





petty thievery. An inhabitant of North Carolina, for instance, was tied to a cart's tail and whipped through the streets for stealing goods to the value of a dollar. Women as well as men were confined in the stocks or pillory. Sometimes an offender's tongue was bored through with a red hot iron and his ears nailed to the pillory or cut entirely off. Often he was branded on the cheek or

forehead in order that he might be compelled to carry the mark of his punishment through life. Murder and other crimes of a



Stocks

similar nature carried the death penalty. Such punishments may seem to us to have been unduly severe and even unnecessary, yet we must remember that the penalties in England for similar offenses were often more severe. In fact, during this period, the death penalty could be inflicted in the mother country for more than three hundred offences, some of which were extremely petty.<sup>1</sup>



Pillory

<sup>1</sup> A good short account of punishment in the colonies is found in Channing's *History of the United States*, Vol. II, pp. 392-394.

## II. POPULATION

**37. Growth of Population.**— During the first half century after the settlement of Jamestown in 1607, the growth of colonial population was slow, owing (1) to a high death rate among the colonists; (2) to the refusal of the English government to encourage emigration; (3) to tales of hardships and sufferings carried to England by dissatisfied colonists; and (4) to the return of emigrants to England to assist the Parliamentary party in its contest with the monarchy. The restoration of the English kings in 1660, however, coupled with improved conditions in the colonies, started the flow of another stream of emigration to the new world. This stream was further widened in 1664 when the English took New York, New Jersey, and Delaware from the Dutch; and again in 1681 when the Quakers planted settlements in Pennsylvania. Thus by 1700 the total population of the colonies was about 200,000. Of this number, New England had 79,000; the middle colonies, 42,000; the Chesapeake colonies (Virginia and Maryland), 78,000; and the Carolinas, 5000. At about the same time the population of Philadelphia was 12,000; of Boston, 7000; and of New York, 5000.

Between 1700 and 1760 the population of the colonies increased almost seven-fold,— that is, from a little more than 200,000 to almost 1,600,000. The relative increase in the three sections of the country during this period varied considerably. New England had, at the latter date, a population of 473,000; the middle colonies, 405,000; and the southern colonies (including Maryland), 718,000. If the southern boundary of Pennsylvania (the Mason and Dixon line) is taken as the dividing line between the northern and the southern colonies, it will be seen that the total population of the former section was 878,000; of the latter, 718,000. Of the total population in the southern colonies about 300,000 were negroes, mostly slaves. In other words, the population of the south, which contained almost one-half of the total population, was made up of about three-sevenths negroes and four-sevenths whites, as follows:

## POPULATION OF THE SOUTHERN COLONIES IN 1760

Colony	Whites	Negroes	Total	Per Cent Negroes
Virginia . . . . .	165,000	150,000	315,000	47.6
Maryland . . . . .	108,000	56,000	164,000	34.1
North Carolina . . . . .	110,000	20,000	130,000	15.3
South Carolina . . . . .	30,000	70,000	100,000	70.0
Georgia . . . . .	6,000	3,000	9,000	33.3
	419,000	299,000	718,000	41.5

The growth of towns during the period kept pace with the larger colonial growth. Thus Boston and Philadelphia each had a population of about 25,000 in 1760, and New York about half that number.

**38. Foreign Elements.**— The colonies were so thoroughly English in their customs, manners, laws, and religion, that all other peoples, such as the Dutch, French, Scots, Irish, and Germans, were considered to be foreigners. We have noticed already how the Dutch settled in the Hudson River valley early in the seventeenth century, and how from there they had spread out into what are now New Jersey and Delaware. Whatever important influence they might have exerted on American life, had they continued to expand, was brought to an end by the capture of New Netherlands by the English in 1664. Thereafter the Dutch government directed its attention to colonizing in other directions, and the Dutch people ceased to emigrate to North America. Confined almost entirely to New York, their influence in the colonies declined until it was relatively unimportant.

Most of the French settlers in the colonies were Protestants, commonly referred to as French Huguenots. They or their ancestors had fled from religious persecution in France. Some had emigrated directly to the colonies; others, to England and then to the new world. Thus French Huguenots could be found in practically all of the colonies, but it was in South Carolina that they were the most numerous. There they settled in groups, retaining for many years their religion and even their language.

Two elements of the population, the Scotch and the Irish, were closely related to the English. Owing to political disturbances in Scotland in 1715 and 1745, and to the breaking down of the clan sys-



tem, many Scottish emigrants came to America during the eighteenth century. In North Carolina, where they settled in great numbers, they were hospitably received by the older inhabitants, and even



A prosperous Dutch Patroon

exempted from taxation for a period of ten years. The Irish also came to the colonies in large numbers. Some of them were Catholics, some Protestants. The former settled in Maryland and Pennsylvania, while the latter were employed as house servants in all of the colonies.

In numbers and influence the Germans exceeded all other "foreigners" in the colonies. They began emigrating to the new world soon after the first settlements were made; but their influence was not greatly felt before 1700, except in Pennsylvania, where they had made several important settlements, notably Germantown. They are usually referred to as the Pennsylvania Dutch. The great German migration to America, which is sometimes called the "German invasion," began about 1717 and continued without serious interruption until the outbreak of the Revolutionary War. During that half century thousands of the thriftiest and most intelligent inhabitants of Germany migrated to America.

**39. Distribution of Population.**—During the first fifty years following the settlement of Jamestown in 1607, the colonists clung closely to the North Atlantic sea coast. From the Penobscot River on the north to the mouth of the Hudson River on the south there was a continuous strip of coast settlements. South of that the settled area was confined almost entirely to the shores of the Chesapeake Bay. By 1700 the settlers had pushed up the streams of New England, New York, and Virginia, and had planted settlements in the eastern portions of Pennsylvania and New Jersey, and around Charleston in South Carolina.

Between 1700 and 1760 the movement to the interior carried the pioneers to the crest of the mountains and even beyond. In fact, except in the southernmost colonies, the narrow strip of land lying between the water-fall line and the coast was practically all occupied. As might be expected, the most notable expansion was in North Carolina, Virginia, and Pennsylvania. There the wide, comparatively flat coastal plain and its numerous navigable rivers made it profitable to carry on agriculture on a relatively large scale. In New England and New York, on the other hand, where the ground was stony and the soil thin, or where the mountains approached close to the sea, the population, instead of spreading out, became relatively dense in the already settled sections, a condition which has not changed to the present day.

## III. SYSTEMS OF LABOR

**40. Scarcity of Labor.**— Industry in any frontier society is always characterized by scarcity of labor, particularly so where land is free and abundant. At first the settlers at Jamestown, and later at Plymouth, worked in common fields and had common storehouses from which they drew their supplies. Soon, however, this plan was seen to be inefficient, and the colonists abandoned it. Then each colonist took a piece of land for his own use and on it he settled his family. All engaged in agriculture; each worked his own land; there was little demand for hired labor. As yet the capital necessary to enable one man to employ another had not been saved. Furthermore no one cared to work for wages when by moving a few miles he could find an abundance of free land.

**41. Free Labor.**— Several forces combined within a few years to bring into existence both employers and employees. Accumulations and savings, or the receipt of funds from the mother country, enabled some of the settlers, on the one hand, to enlarge their operations so as to need hired help. On the other hand, the coming of moneyless colonists, the growth of colonial families, and the scarcity of desirable farm land, gave rise to a class of free laborers both in the towns and on the farms. Although this class never became large, it was important in the industrial development of New England, where slaves and indentured servants were scarce.

**42. Apprenticeship.**— The English practices of apprenticeship, which we have already noticed, were modified by the colonists to serve their own particular needs. Apprentices were bound out both to tradesmen and farmers, the law usually providing that the master should teach his apprentices the "mysteries of his trade" and instruct them in reading, writing, and morals. In Massachusetts he had to send them to "church on the Sabbath." The usual period of apprenticeship was seven years, but in some colonies, notably in Pennsylvania, it was less. As in England, the colonists used the apprenticeship system more or less as a relief for the poor; nevertheless we may believe that it had a good effect on colonial industry.

**43. Voluntary Indentured Servants.**—Outside the New England colonies there were few free laborers. To remedy this serious industrial defect, the colonial governments, assisted by the English Parliament, provided a system whereby poor persons were allowed to indenture themselves to serve a term of years as servants to anyone who would pay their passage to America. This indenture resembled somewhat an apprenticeship, though the latter form of contract was confined largely to native Americans. Thus many industrious Germans, English, Irish, and Scots, who had little or no hope of bettering their industrial conditions in their old homes in Europe, were enabled to emigrate to America, where after a few years they could become independent and even prosperous.

Among the voluntary indentured servants brought to America the German "redemptioners" from the Rhine River valley were the most numerous. They were gathered together in their home country by "newlanders," and shipped directly to the colonies in crowded, unsanitary vessels. Here the ship captain sold their services, of from three to five years, to householders along the coast; or to "soul drivers," who resold them to the farmers in the interior. Most of the "redemptioners" came to Pennsylvania.

In all the colonies were to be found servants of the voluntary indentured class. They were more numerous in the middle colonies, where free labor and slaves were relatively scarce. In the south, slave labor predominated; while in New England free labor competed on equal terms with both slavery and indentures.<sup>1</sup>

<sup>1</sup> These servants frequently ran away, as the following extract shows:

Run away from Samuel Lippincott of Northampton in the county of Burlington, an Irish servant Maid, named Mary Muckleroy, of a middle Stature: Had on when she went away, a blue and white striped gown, of large and small stripes, cuffed with blue, a white muslin handkerchief, an old blue quilt, a new Persian black bonnet, a new pair of calf-skin shoes, a fine Holland cap, with a cambrick border, an old black short cloak lined with Bengal, blue worsted stockings, with white clocks, a very good fine shirt, and a very good white apron. She took with her a sorrel horse, about 14 hands high, shod before, and paces very well. It is supposed there is an Irishman gone with her. Whoever takes up and secures the said woman and horse, so that they may be had again, shall have Three Pounds reward, and reasonable charges paid by Samuel Lippincott.

The *Pennsylvania Gazette*, April 16, 1748. Reprinted in Hart's *Contemporaries*. Vol. II, p. 301.

**44. Involuntary Indentured Servants.**— Another class of workers called *involuntary* indentured servants came to the new world in large numbers. Some of them were convicted law breakers of England who had been given the chance to go out to the colonies to escape punishment at home. As is well known, the English laws of the time provided severe punishments for the most trivial offenses. English judges and juries, whose spirit of justice was far in advance of the laws, often hesitated to inflict such punishments, preferring to send the offenders to America. Thus thousands of English convicts were transported to the English colonies, where they were bound out for service among the colonists. Some risked their lives by returning to England; some fled to other colonies; others served out the terms of their indentures and settled down in the neighborhoods where they were best known. An idea of the character of these men may be gained from the fact that numbers of them became colonial schoolmasters. And why not? Many of them had committed no crime in the modern meaning of the term. Perhaps they had fallen in debt, or at worst, snared a hare on the royal hunting grounds. Of course, many of the transported criminals were undesirable citizens. Consequently the colonial governments often protested against the practice of sending convicts to the colonies. In spite of protests the English government continued to send them until the outbreak of the Revolutionary War.<sup>1</sup>

Another class of involuntary indentured servants was made up of persons kidnapped in England and sent against their will to the colonies. Some may have been troublesome heirs, whom relatives desired to get out of the way; but the great majority comprised poor children from the streets of crowded centers like London and Bristol. In these and other cities of England, men and women, called "spirits,"

<sup>1</sup> That the colonists in general objected to the importation of criminals is shown by the following extract:

"Maryland is the only province into which convicts may be freely imported. The Virginians have inflicted very severe penalties on the masters of vessels, or others, who may attempt to introduce persons under this description into their colony. They have been influenced in this measure by an apprehension, that, from the admission of such inmates into their families, the prevalence of bad example might tend to universal depravity, in spite of every regulation, and restraining law." Letters from America (1769-1777), by Eddis, Reprinted in Callender's *Selections from the Economic History of the United States*, p. 46.

made it their business to kidnap boys and girls by the thousand, and to sell them to ship captains to be carried to America, where their services could be disposed of to the colonists. When discovered carrying on their wicked business, the "spirits" were punished, to be sure; yet the parish authorities, who were hard pushed to provide for their paupers, too often winked at these evil practices. Perhaps they consoled themselves with the thought that the children sent to America would find there opportunity for greater industrial advancement than was possible in England. "Spiriting" was cruel. Nevertheless some good came from this traffic in innocent children: the colonists were provided with efficient help; the children themselves were better cared for than they could have been at home; England was relieved of a portion of her surplus population; while the colonies, and afterward the states, were aided in their development by the children and their descendants, many of whom became prosperous and influential citizens.

**45. Treatment of Servants.**—Treatment of servants varied from colony to colony, and from household to household. It depended in large part on laws and custom, on the temper of masters, and on the willingness of servants to obey. Hence colonial lawmakers found it necessary, especially after the presence of negro slavery had degraded the position of the servants, to lay down general rules for regulating the relations between master and man. Even in the absence of such laws the justices of the peace often saw to it that servants were not unduly mistreated. Cases are known where the authorities punished cruel masters by setting their servants free and by prohibiting them from ever again employing servants. To protect masters, laws provided that servants who absented themselves without permission should serve two days for each day's absence.<sup>1</sup> In extreme cases masters had the right to flog their servants. We may believe, however, that such extremities were seldom resorted to, and that many of

<sup>1</sup> In Maryland and South Carolina the punishment for running away was extremely severe. In the former colony ten days' services were required for each day's absence; in the latter colony, twenty-eight days'.

the servants, particularly the children, took their places as members of their masters' families.

It was the general practice on the part of the masters to provide servants with ample food, clothing, and shelter during the period of indenture, and when the service was finished "to start them out in the world" with clothing, a small sum of money, and, in many cases, with a horse and farming implements. In some of the colonies the government gave to each a small tract of land. Even though the term of indenture was long and the service hard, many of these servants in time found themselves in possession of greater wealth and higher social position than the relatively well-do-to classes they had left behind in England.

**46. Slavery in the Southern Colonies.**— Because of the mild climate and the character of the crops, negro slavery acquired a permanence in the south not found in New England or the middle colonies. The first slaves were brought by Dutch traders from the West Indies to Jamestown in 1619. Already the planters felt a need of laborers for the tobacco fields. Very naturally, they seized the opportunity of employing slaves; and, finding them good workers, they demanded more. Their numbers grew gradually until in 1700 there were about 6000 slaves in Virginia. Sixty years later they almost equaled the whites in number. In Maryland, where the plantations were smaller and devoted largely to the raising of food crops, slavery grew more slowly. A much more rapid growth was found in South Carolina, where the cultivation of rice made necessary a working population accustomed to hard labor and a hot climate. By 1730 the slaves in that colony made up one-half of the population. Thirty years later they outnumbered the whites two to one.

**47. Slavery in the North.**— North of Maryland the number of slaves was much smaller than in the southern colonies. There the harshness of the climate and the character of the crops made slavery less profitable than it was in Virginia or South Carolina. Moreover, slaves were found principally in the larger towns, as Philadelphia, New York, and Boston, on the large estates along the Hudson River,

and on the "plantations" around the head of Narragansett Bay. In the towns they acted as house servants and porters; elsewhere they worked on the land. Altogether the number of slaves north of Maryland in 1760 was about 90,000, which was less than one-third the number in the south.



Old Time Slave Quarters

**48. Laws Regulating Slavery.**— In all the colonies the laws regulating slavery were strict. Masters were expected to treat their slaves with consideration. Yet laws to that effect were usually needless, because the master had an interest in preserving his own property. There were cases, however, when masters in rage actually killed their slaves. The slave, on the other hand, was hedged in with a multitude of restrictions. He had no standing in the law courts; hence, no redress against inhumane and cruel treatment. He was



the absolute property of his master. The most elaborate laws in this connection were made to prevent uprisings. In all the colonies where the slave population was large, there was an ever-present fear that the blacks would rise up in revolt and murder the whites. To prevent such a calamity, laws provided that a slave must not leave his master's home even for a visit without carrying a written pass. Furthermore, all congregating of slaves was prohibited. As is to be expected where all punishment for crime was unduly severe, that inflicted on the slaves was doubly so. To prevent the opposition of masters to having their own slaves hanged or burned, if convicted of a capital crime, colonial laws, notably in Virginia and South Carolina, provided that a master should receive from the public treasury the value of his executed slave.

#### ORAL AND WRITTEN EXERCISES

1. Locate Cambridge, Williamsburg, New Haven, Princeton, Providence, Annapolis.

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2. Explain why some of the colonies were governed by charters, some by proprietors, and some by royal officers.

3. What was the English law concerning the Catholic worship in England and the colonies?

4. Account for the colonial regulation of dress.

5. What was the New England attitude toward education?

6. Why was the growth of the colonies slow prior to 1660?

7. Why was there more free labor in New England than in the southern colonies?

8. Explain the difference between *voluntary* indentured servants and *involuntary* indentured servants.

9. Why were slaves not employed extensively in New England?

10. Describe the treatment of slaves in the colonies.

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11. Who were John and Charles Wesley? Whitefield? John Harvard? Eli Yale?

12. How is the term *esquire* used at the present time?

13. How were the Mathers connected with witchcraft?

14. What was the Edict of Nantes? How did this edict relate to the settlement of America?

15. Suggested topics for oral or written report:
- Growth of the Various Religious Bodies in the Colonies.
  - Class Distinctions in the Colonies.
  - Life of Benjamin Franklin.
  - Growth of Colonial Population.
  - Scarcity of Laborers in the Colonies.
  - Indentured Servants.
  - Introduction of Slavery into the English Colonies.
- 
16. Important dates:
- 1619 — Introduction of Slavery into Virginia.
  - 1636 — Establishment of Harvard College.
  - 1660 — Restoration of English kings.

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**Indentured Servants.**

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CHAPTER IV  
COLONIAL AGRICULTURE  
1607-1763

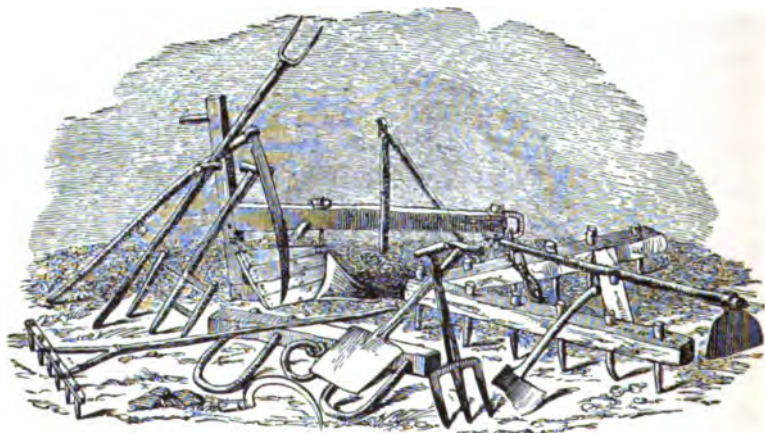
I. CROPS AND METHODS OF CULTIVATION

**49. Indian Agriculture.**—The early settlers necessarily took up Indian methods of agriculture, and modified them to suit their own needs and their own equipment. They found the principal crop to be Indian corn (maize), and its cultivators to be Indian women. First, these primitive cultivators deadened the trees by girdling them with a stone axe, or by burning their roots. Then they planted the seed in hills, taking care to see that the earth about them was loose and free from sticks and stones. Often they planted beans with the corn. During May and June, and in the southern regions as early as in April, they planted and cultivated; in August, September, and October, they gathered the ears for food.<sup>1</sup> Along the coast, and even in the interior, the Indians sometimes fertilized the soil by burying dead fish in the corn hills. Their tools were extremely primitive. There were no plows; crooked sticks and large shells served as hoes.<sup>2</sup>

<sup>1</sup> An eye witness of Indian agriculture, Captain John Smith, describes the method of clearing the ground and tending the corn as follows: "The greatest labour they take, is in planting their corne, for the country naturally is overgrowne with wood. To prepare the ground they bruise the barke of the trees neare the roote, then do they scotch the roots with fire that they grow no more. The next yeare with a crooked peece of wood, they beat up the woodes by the rootes; and in that moulds, they plant their corne. Their manner is this. They make a hole in the earth with a sticke and into it they put 4 graines of wheat [corn] and 2 of beanes. These holes they make 4 foote one from another. Their women and children do continually keepe it with weeding, and when it is growne midle high, they hill it about like a hop-yard."—*Description of Virginia and Proceedings of the Colonies*. By Captain John Smith. Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, p. 29.

<sup>2</sup> Good descriptions of Indian agriculture are given by Mr. Charles L. Flint in Kettell's *Eighty Years' Progress*, pp. 20-21. A similar account is in *Report of the Commissioner of Agriculture for the year 1872*, pp. 278-279.

**50. Early Colonial Methods.**— The first colonists found it necessary to adapt themselves not only to the new methods of cultivation, but also to a new soil, a new climate, new crops, and many of them to agriculture itself. Like the Indians, they were seriously handicapped by lack of tools. Compared with the equipment of a modern farm, the best Europe had to offer in the way of mechanical aid for farmers was meager indeed. The first colonists at Jamestown and at Plymouth had even less. Necessarily they often resorted like the Indians to the use of sticks and shells in cultivating their first fields.<sup>1</sup>



Farming Tools in Colonial Times

In 1617, we find plows in Virginia, although they may have been in use there before that time. For the first dozen years after their landing at Plymouth, the Pilgrims had no plows, being compelled "to tear up the bushes with their hands, or with clumsy hoes and mattocks." In 1637, there were thirty-seven plows in the Massachusetts Bay Colony. Because of their scarcity, it became the custom in many sections of New England, for the owners of plows to

<sup>1</sup> An interesting account of the Pilgrims' first experience with American agriculture is found in Bradford's *History of Plymouth Plantation*, p. 100; also in Weedon's *Economic and Social History of New England, 1620-1789*, p. 88.

go from farm to farm very much as the owners of threshing machines do today. Sometimes the town authorities kept such plows in repair at public expense.

In time, as we might expect, improvements were made in farming tools: iron strips were fastened to the plows; the scythe, an indispensable tool in the New England hay fields, was improved by having its back strengthened, and its blade lengthened and made lighter; the heavy spade, the cumbersome harrow, which was made by driving wooden pegs through heavy timbers, and the wooden hay fork all combined to make agriculture relatively less laborious and more profitable.<sup>1</sup> We may wonder how the colonists with such equipment were able to do as well in agriculture as they did. The explanation lies in the fertility of the virgin soil which they found in abundance in many sections of the colonies.

**51. Native American Plants.**—Several of the most important plants in the world's agriculture are native to the Americas, and hence were unknown to Europeans before the discovery of the new world in 1492. The ones that have had the greatest effect on agriculture are:

Tobacco	Pumpkin
Indian corn	Squash
White potato	Peanut
Sweet potato	Strawberry
Tomato	Timothy
Cranberry	Orchard grass

Some of these plants, notably tobacco and Indian corn, the first settlers found on their arrival. Others were later introduced from the West Indies, South America, or from southern Europe, where they had been carried by the Spanish. In any case, they were native American plants, and their contribution to agricultural progress has been very great.

<sup>1</sup>“The massive old wooden plow required a strong team, a stout man to bear on, another to hold, and a third to drive. The work it did was slow and laborious. The other tools were a heavy spade, a clumsy wooden fork, and, later, a harrow. I have had in my possession specimens of these forks two hundred years old. It is difficult to see how they could have done very effective work.”—Charles L. Flint in *Report of the Commissioner of Agriculture for the year 1872*, p. 278.

**52. Indian Corn.**—Of the native plants of America, the most important to the colonists in many respects was Indian corn, or maize, referred to commonly in the United States as *corn*.<sup>1</sup> Its importance lay not only in its value as a food crop, but also in the fact that it could be easily grown.<sup>2</sup> It was plentiful as well as palatable and nutritious; hence it was the chief article of diet of the early settlers. Fortunately for the permanence of the colonies, corn was easily grown and easily preserved for winter. It grew in almost any kind of soil, and under almost any condition. Only in the northern sections of New England were the summers too short to permit of its complete maturity. Unlike wheat, it was planted, cultivated, and harvested within a single summer. Consequently, movements to the interior could be undertaken in the late winter or early spring with the assurance that abundant food for the next winter could be grown and harvested during the summer and fall. Furthermore, it supplemented the mast and native grasses as a food for horses, cattle, and hogs.<sup>3</sup>

In money value the colonial corn crop ranked with tobacco, rice, and wheat. Yet because tobacco and rice were staples, or money crops, and because wheat flour was exported in large quantities from the middle colonies, it is often assumed that the production of corn was of minor importance. On the contrary, it was of the greatest importance: it furnished the colonists with their principal food crop; it stimulated and made possible expansion to the interior; it made

<sup>1</sup>The English use the word corn to designate wheat and other cereals. See also the use of the word in the Bible. Care must be taken not to confound the two meanings of the word.

<sup>2</sup>One authority gives the cost per acre of growing corn in New England in 1775, as follows:

	£	s.	d.
Seed . . . . .	0	0	6
Culture . . . . .	0	11	8
Harvesting . . . . .	0	3	6
Conveying to market . . . . .	0	4	6
Sundries . . . . .	0	2	6
	1	2	8

<sup>3</sup>The importance of corn to the colonists may be seen by referring to Weeden's *Economic and Social History of New England, 1620-1789*, pp. 115, 119, 163, 175; also to *American Husbandry*, p. 50. Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, pp. 29-30.

the cultivation of export crops profitable, by relieving the settlers of a great deal of labor they otherwise would have expended on other food crops, not one of which could have been produced with the same ease and in the same abundance.

**53. Tobacco.**—Another important American contribution to agriculture was tobacco. When Jamestown was settled in 1607, tobacco was being used in small quantities in Europe, though the habit of smoking had not yet become wide-spread, and the use of it in any other form was unknown.<sup>1</sup> The first settlers in Virginia began the cultivation of tobacco in 1612, and, because of the increased demand for it in Europe, it soon became an important colonial crop.<sup>2</sup> Consequently the people of Virginia, Maryland, and North Carolina devoted their best energies to its production. They carried on extensive experiments in an effort to improve the flavor of the leaf, to find better methods of cultivation, and to increase the yield.<sup>3</sup> Good yields, coupled with high prices, brought prosperity; poor yields, with low prices, depression. In short, the industrial development of these colonies was closely related to the tobacco crop, for, as we shall presently see, the colonists depended on tobacco not only to bring them manufactured goods from England, but also at times to serve as a medium of exchange among themselves.

**54. Adaptation of European Crops.**—The English settlers not only took up the cultivation of native plants, but they also introduced and adapted European, Asiatic, and West Indian crops to North

<sup>1</sup> It is not positively known who first introduced tobacco into England. An old tradition gave the credit to Sir Walter Raleigh.

<sup>2</sup> The use of tobacco in England was discouraged by King James I, who wrote a treatise against it known as the *Counterblast to Tobacco* (1616).

<sup>3</sup> An interesting account of the manner in which the colonists tended the tobacco plant was given in 1688, as follows: "Now, you must know they top their Tobacco, that is, take away the little top bud, when the Plant has put forth as many Leaves as they think the richness of the Ground will bring to a Substance; but generally when it has shot forth four or six Leaves. And when the top bud is gone, it puts forth no more Leaves, but Side-branches, which they call Suckers, which they are careful ever to take away, that they may not impoverish the Leaves."—*A Letter from Mr. John Clayton Rector of Crofton at Wakefield in Yorkshire to the Royal Society, May 12, 1688.* Printed in *Force's Tracts and Other Papers*, Vol. III, No. XII.



American agricultural conditions. Notable among these adaptations was wheat, which in time became an important food crop in New England and the middle colonies. It also became a valuable article of export to the southern colonies and to the West Indies. Another foreign plant introduced into America was rice. It was grown principally in South Carolina, where an ideal combination of soil, climate, and moisture made its production easy and profitable. Like wheat, its importance to the colonists was in its value as a food crop and as an article of export. In some respects, the most valuable old world plant to be transplanted in the new world was clover. Its cultivation assisted to give new life to the soil in the older sections where the land had been robbed of its fertility. Besides, it made possible a marked improvement in animal breeding, by furnishing a better and more adequate supply of winter forage.

Many of the attempts, however, made to adapt foreign plants to American conditions were unsuccessful. New England, for instance, tried the cultivation of cotton, rice, and indigo. Farther south, attempts were made to grow allspice, olives, and cinnamon. In time, however, each plant found its proper soil and climate, or it was discarded entirely by the colonists. Thus during the colonial period the processes of introduction, experimentation, and adaptation went on until practically every important crop grown in this country today had become a part of American agriculture.

**55. Extent and Distribution of Agricultural Crops.**—In addition to the agricultural crops just noticed, there were many others of considerable importance. Potatoes, both white and sweet, peas, beans, barley, oats, rye, pumpkins, and squashes were grown in practically all of the colonies, and largely consumed at home. Indigo was produced in South Carolina and exported to Europe. The leading crops of the various sections may be classified as follows:<sup>1</sup>

<sup>1</sup> For extended accounts of colonial agricultural products, consult *American Husbandry*, vol. I, pp. 50-52, 98-103, 210-220, 331-332, 337-338, 349. Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, pp. 29-34, 38-41. Consult, also, *Travels in North America*, by Peter Kalm. See Pinkerton's *Voyages and Travels*; also *Documents relative to the Colonial History of the State of New York*, vol. V, pp. 591-630.

## New England and middle colonies

Corn  
Wheat  
White potatoes  
Beans  
Peas  
Barley  
Buckwheat  
Rye  
Oats

## Southern colonies

Corn  
Tobacco  
Wheat (Maryland)  
Rice (South Carolina)  
Beans  
Indigo (South Carolina)  
Sweet potatoes  
Cotton (South Carolina and Georgia)

**56. Exhaustion of the Soil.**— One of the prominent characteristics of American colonial agriculture was the exhaustion of the soil. In fact it was the opinion of many foreign observers that the colonists were the most wasteful farmers in the world. As early as 1650, New England agriculture was beginning to feel the evil effects of soil exhaustion. Likewise in the South, where the crops were more exhaustive, and where slave labor was largely employed on the plantations, the same "soil butchery" went on.<sup>1</sup> Conditions in North Carolina were typical perhaps of those generally found in the South. In that colony, so states a careful observer, the farmers first grew tobacco on a piece of land as long as it was profitable to do so. Then they planted it in corn for two years, then in wheat, beans, and peas for several years more, abandoning it after a time for new land.

The chief reason for such methods of cultivation are not difficult to understand. It was the abundance of free land. The settlers found it more profitable to exhaust the fertility of one field and to move on to another than to preserve the fertility of the original field. They did exactly what their descendants did in the nineteenth century, and what many of them are doing at the present time.

**57. Live Stock.**— In handling their live stock, the settlers were as careless and wasteful as they were in preserving the fertility of the soil. They gave little attention to breeding, provided inadequate food and shelter during the winter months, and, what is less excusable,

<sup>1</sup> For an interesting account of the effect of tobacco raising on the soil of Maryland and Virginia, see Smith's *Industrial and Commercial Geography*, pp. 315, 316.

they cruelly mistreated their work animals, particularly the horses.<sup>1</sup> Consequently the colonial period saw few improvements in the live stock of the colonists. It must be said, however, that such improvements were slow the world over. Even in England, where for centuries considerable attention had been given to improving breeds, the cattle and horses were undersized and undeveloped. Beef cattle averaged not over four hundred pounds in weight; while the native English draft horse was no larger than the broncho of our western plains.

Inferior as they were in size and breed, domesticated animals played an important part in the development of colonial industry. The first settlers at Jamestown are said to have brought cattle with them to the new world. Certainly they had several head in 1609. By 1620 the number had increased to 500, and by 1639 to 30,000. The Pilgrims brought no cattle on the Mayflower, the first consignment, four in number, arrived four years later, in 1624. Importations from England and the natural increase among the colonial herds caused the number of cattle to be adequate to the demands of the increased population in New England. As it was in Virginia and New England so it was in the other colonies. The first settlers in any region carried cattle with them or saw to it that they were supplied soon after their arrival.

Hogs were as indispensable to the colonists as were cattle. They were easily and cheaply maintained, particularly in the South, where they fed on acorns, nuts, and roots. Like the cattle, they were undersized and poorly bred.

<sup>1</sup> The following is perhaps typical of the many accounts given by observers; "And this mention of cattle leads me to observe, that most of the farmers in this country are, in whatever concerns cattle, the most negligent ignorant set of men in the world. Nor do I know any country in which animals are worse treated. Horses are in general, even valuable ones, worked hard, and starved: they plough, cart, and ride them to death, at the same time that they give very little heed to their food; after the hardest day's works, all the nourishment they are like to have is to be turned into a wood, where the shoots and weeds form the chief of the pasture. . . . A New Englander (and it is the same quite to Pennsylvania) will ride his horse full speed twenty or thirty miles; tie him to a tree, while he does his business, then re-mount, and gallop back again. This bad treatment extends to draft oxen; to their cows, sheep, and swine; only in different manner, as may be supposed." *American Husbandry*, vol. I, p. 51.

The work animals of the colonists were oxen, mules, and horses. All three were used for plowing the ground and cultivating the crops. In addition, the horse was the chief means of land travel. In some sections, considerable attention was given to improving the breeds, particularly of those already adapted to racing. To that end thoroughbreds were imported from Europe.<sup>1</sup>

**58. By-Industries.**— The colonial farmers often found time from their regular work to engage in other industries which may very properly be called by-industries of agriculture. One of the most important of these was lumbering. A great many farmers ascended the rivers where they spent the late fall and winter in logging. In the spring, they took advantage of the annual freshet to float their logs and lumber to the settlements below. Others remained nearer home, spending their time in producing barrel and pipe staves, headings and hoops for the West Indian trade, and boards, shingles, and clapboards for home use.

Another by-industry of agriculture was fishing. Many of those who engaged in fishing off the New England coast did little else. In that case of course it was not a by-industry, and its place in colonial industry will be discussed later. At this point it is necessary merely to note that many farmers spent the late summer and early fall in catching and curing fish for export to the southern colonies and to the West Indies.

By-industries which required a higher degree of skill were carried on in the homes. Important among these were cabinet making, tanning, boot and shoe making, harness making, and hat making. The same industries were also carried on in the towns by master mechanics and their helpers. In that case, they were manufactures and not by-industries of agriculture. Likewise, any notice of the home industries carried on by the women must be deferred to the discussion on colonial manufactures.<sup>2</sup>

<sup>1</sup> An interesting account of colonial live stock by Mr. Charles L. Flint is found in Kettell's *Eighty Years' Progress*, pp. 20, 37, 59, 63.

<sup>2</sup> Many interesting accounts of these by-industries in New England are found in Weedon's *Economic and Social History of New England, 1620-1789*. Consult Index under Fisheries, Lumbering, Agriculture.

**59. Agricultural Self-Sufficiency.**—The chief industry of the colonists — New England perhaps excepted — was agriculture; and, as we may expect, they were agriculturally self-sufficing,—that is, they produced farm products in sufficient quantities and varieties to feed themselves. They had in abundance flour, meal, rice, fish, pork, beef, fruits of many kinds, and a large variety of garden vegetables. To be sure, they imported such articles as pepper and allspice, sugar and molasses, wine and ale, yet they were as independent of foreign food supplies as any section of the Earth could reasonably hope to be.

In addition to feeding themselves, the colonists exported quantities of food supplies to the West Indies and Europe. As we shall see presently, they shipped flour, meal, salted meats, and fish to the West Indies and southern Europe, and tobacco and rice to England.

Thus the backbone of colonial industry was agriculture. It directly supplied the colonists with food, and indirectly with the goods they could not produce in their own homes and shops.

## II. LAND HOLDING

**60. Tenure of Land Holding.**—The early settlers in America found that land was the most plentiful factor in agricultural production; also that its acquisition was comparatively easy. Hence, as we should expect under these circumstances, the holding of land became general and its transfer simple. After the first few years, during which the land was held in common at Jamestown and Plymouth, individual ownership characterized colonial land holding. In early New England the town authorities generally held the right to grant land to new settlers; in some localities public permission was necessary to the transfer of land from one individual to another. New York had a system of land holding in which the cultivators of the land paid rent to the owners called “patroons.” In the proprietary colonies similar rents went to the proprietors. In Virginia and the Carolinas the colonial governments gave land in moderate quantities to the settlers; they also sold large tracts to wealthy and influential colonists. All of the colonies were liberal in granting frontier

lands to settlers, especially in those localities where there was danger of Indian attacks.

With the land once in the hands of individuals, buying, selling, and leasing were every day occurrences, differing only in detail from the same transactions today. Petty restrictions, such as we have noticed in New England, soon disappeared. Thus the transfer of land was easy and cheap; and, except in those sections where the old rental system lingered, land was generally held in fee simple. In these respects, America differed radically from Europe, where the land was in the hands of a few, and its title not easily transferred.

**61. The New England Farm.**—The typical New England farm was relatively small, containing somewhere in the neighborhood of a hundred acres. Its size was determined largely: (1) by the scarcity of fertile soil; (2) by the character of the crops adapted to that region; (3) by the absence of a large supply of farm labor; (4) by the rapid increase in density of the population; (5) by the many opportunities offered in by-industries, and (6) by the desire of the people to live close together. As is well known, the fertile soil of New England, even in its earliest colonial days, was not abundant. Hence, it was necessary for the colonists to farm *intensively* rather than *extensively*, — that is, to farm small areas carefully rather than large areas with little care. The principal crops being cereals and hay, which in general were not important exports, because of the abundance of similar crops in the other colonies and Europe and because of their great weight compared to their value, there was little temptation to grow them in greater quantities than the limited local market demanded. Furthermore, the scarcity of laborers working as slaves or for wages made production on a large scale impossible. Likewise, the rapid increase in the population, which was necessarily confined to a relatively small area, precluded the growth of large farms or plantations. As we have already noted, fishing and lumbering added greatly to the farmers' incomes, thus encouraging the cultivation of small tracts of land. Perhaps the strongest force at work to restrict the size of farms was the desire of the early New England colonists

to live close together. They were intensely religious. Consequently they settled close about the meeting house, each family cultivating a small farm in the vicinity.<sup>1</sup>

**62. Plantation System in the South.**— In the southern colonies two systems of agriculture developed side by side. In one, the farms were small, the crops diversified, and the operations carried on by the owners and their families. This system prevailed in many places along the coast where the land had been robbed of its fertility by the growing of tobacco on large plantations, but more particularly on the frontier. The other system was characterized by large plantations, slave labor, and the growing of staple crops. The cultivation of tobacco, which was exceedingly profitable on a large scale, quickly exhausted the fertility of the soil. Hence, while the tobacco planters cultivated large areas, they were at the same time acquiring still other large areas for future cultivation.<sup>2</sup> The use of slaves likewise contributed to the development of the plantation system. They could be profitably employed in growing tobacco only if employed in relatively large numbers. Moreover, they could be kept busy during the winter months in clearing away the forests and preparing new fields. The further fact that tobacco was an export crop is significant in this connection. Planters found it advantageous to acquire large estates fronting on the rivers where they could load vessels at their own wharves, a practice which would have been well nigh impossible under a system of small farms. Certainly it would have been less

<sup>1</sup> For accounts of land holding in New England, consult Weeden's *Economic and Social History of New England, 1620-1789*, pp. 20, 29-31, 53, 67, 75, 87, 404.

<sup>2</sup> A contemporary writer called attention to the manner in which large parts of the plantations were reserved for future operations, as follows: "Thus their [the tobacco growers'] Plantations run over vast Tracts of Ground, each ambitious of engrossing as much as they can, that they may be sure to have enough to plant, and for their Stocks and Herds of Cattle to range and to feed in; that Plantations of 1000, 2000, or 3000 Acres are common, whereby the Country is thinly inhabited; the Living solitary and unsociable; Trading confused and dispersed; besides other Inconveniences: Whereas they might improve 200 or 300 Acres to more Advantage, and would make the Country much more healthy; for those that have 3000 Acres, have scarce cleared 600 Acres thereof, which is peculiarly term'd the Plantation, being surrounded with 2400 Acres of Wood." *A Letter from Mr. John Clayton Rector of Crofton at Wakefield in Yorkshire to the Royal Society, May 12, 1688*. Printed in Force's *Tracts and other Papers*, vol. III, no. XII.

profitable. In so far as the use of slaves aided in developing the plantation system, the situation in the rice districts was similar to that where tobacco was the staple crop.

**63. Farms in the Middle Colonies.**— In operation, management, and size, the farms of the middle colonies were unlike both the Massachusetts farms and the Virginia plantations. In average size they exceeded the former, but they were much smaller than the latter. Similarly there were differences in operation and management. In Pennsylvania, for example, the farmers did not employ slaves or free laborers to any great extent; they depended for help primarily on their own families and on indentured servants. Furthermore, the Pennsylvania farmer gave less attention to by-industries than did the New Englander, and less attention to acquiring large areas of farm land than did the Virginia planter. On the whole he was a better farmer than either. First, he had fairly good soil; second, he preserved its fertility reasonably well; and, third, he had in addition to supplying his own wants a large quantity of grain for the West Indian trade.

In Maryland, the plantation system met the small-farm system of the northern states. Corn, wheat, and other food crops were grown principally on the small farms worked by their owners; tobacco, on the plantations. Here also the various systems of labor met, for Maryland had many slaves as well as indentured servants.

#### ORAL AND WRITTEN EXERCISES

1. Locate the headwaters of the important colonial rivers.
2. Examine a physical map of the United States and determine the location of the more fertile land.
3. Why was Virginia better adapted to agriculture than New England?
4. What effect did the soil of New England have on the industry of that region?
5. What were the leading colonial crops?
6. Why did the colonists waste the fertility of the soil?
7. Why were by-industries more important in New England than in Virginia or the Carolinas?
8. Why was the southern plantation many times larger than the northern farm?



9. Who was Massasoit?
  10. What was the system of holding land in England during our colonial period?
  11. Where was Washington's home? Why did it bear a name?
- 

12. Suggested topics for oral or written report:

- The Importance of the Corn Crop.
- Adaptation of European Crops to American Conditions.
- Soil Exhaustion.
- Improvements in Live Stock.
- Colonial By-industries.
- Contrast between Northern and Southern Agriculture.

### SUPPLEMENTARY READING

#### Indian Agriculture.

- BOLLES, A. S. Industrial History of the United States, pp. 2-5.
- DAVIS, W. T. Bradford's History of Plymouth Plantation (Early Narratives of Early American History, vol. VI), pp. 115-116.
- DOYLE, J. A. The English Colonies in America, vol. I, p. 13.

#### Colonial Agriculture.

- BOLLES, A. S. Industrial History of the United States, pp. 5-14.
- KETTELL, T. P. Eighty Years' Progress, pp. 19, 20, 27, 37-39, 59, 63, 64, 72, 80, 81, 85.
- SMITH, J. R. Industrial and Commercial Geography, pp. 82, 312-315.

#### Importance of the Tobacco Crop.

- COMAN, K. Industrial History of the United States, pp. 55-57.
- DOYLE, J. A. The English Colonies in America, vol. I, pp. 190-194.
- BECKER, C. L. Beginnings of the American People (Riverside History of United States, vol. I), pp. 61-63.
- CHANNING, E. A History of the United States, vol. I, pp. 188, 208, 210.

#### Land Tenure.

- CHEYNEY, E. P. Early American Land Tenures.

## CHAPTER V

# THE ENGLISH MERCANTILE POLICY AND COLONIAL MANUFACTURES

1606-1763

### I. ATTITUDE OF THE MOTHER COUNTRY TOWARD COLONIAL MANUFACTURES

**64. The Mercantile System.**—During the seventeenth and eighteenth centuries there came to prevail in western Europe a system of government and economics known as mercantilism. Under this system each nation laid stress on four general ideas, which we may call the “postulates of mercantilism.” They were: (1) the accumulation of precious metals both in the public treasury and in the pockets of the people; (2) the development of shipping; (3) agricultural self-sufficiency; and (4) manufactures, with which the people could be supplied independent of foreign goods, and with which gold and silver could be procured in exchange from other nations. England in common with France, Spain, and Holland held all four views; and in common with them she regarded colonies as places *from* which raw material could be procured, and *to* which manufactured goods could be sold.<sup>1</sup>

In an excellent account of the mercantile system by Professor Schmoller, which gives the gist of the system, the following occurs,—“The general features of its [the system’s] regulations are well enough known. Difficulties were put in the way of the importation of manufactured goods; and their production and exportation were favoured by the prohibition of the export of raw materials, by bounties on exports, and by commercial treaties. Encouragement was given to domestic shipping, to the fisheries, and to the coasting trade by restricting or forbidding foreign competition. Commerce with the colonies and the supplying of them with European wares, was reserved for the mother country. . . . The thought pursued everywhere was this: as competition with other countries fluctuated up and down, to cast the weight of the power of the state into the scales of the balance in the way demanded in each case by national interest.” *The Mercantile System and its Historical Significance.* By Gustav Schmoller, p. 69.

In an effort to accumulate treasure the English government restricted the exportation of gold and silver, encouraged English traders to sell more goods to foreigners than they bought in return, receiving the difference in specie, and discouraged, by legislation, the importation of commodities for which payments had to be made in money. King and Parliament likewise encouraged shipping by fostering the fisheries, which naturally were excellent training schools for sailors, by strengthening the royal navy as a protection against pirates and hostile powers, and by excluding foreign vessels from English commerce. Agricultural self-sufficiency, which was not difficult at that time to attain, was secured by tariffs against foreign food products and by bounties paid to English farmers. The government aided manufactures by restricting the exportation of such raw materials as wool, and by placing duties on manufactured goods imported from other countries. In favoring English manufactures the government hoped to make England independent of foreign industry; it also hoped to provide a surplus of such goods as could be exchanged in foreign countries for gold and silver.<sup>1</sup>

Thus the theories of mercantilism and the attempts of England to put them in practice, exerted a tremendous influence on the development of colonial industry. This influence, in so far as it related to colonial manufactures, will be noticed at this point; its relation to commerce and agriculture must be deferred to a later chapter.

**65. Development of English Manufactures.**—The century and a half between the accession of Charles I to the English throne in 1625, and the beginning of the Revolutionary War in 1775, saw radical changes in English manufactures. At the former date, as we have noticed already in another connection, the manufacturing industry in England was largely a household affair. At best, even in the larger towns, it was small, and generally found in the hands of masters assisted by journeymen and apprentices. After a time, however, there arose a so-called capitalistic class of manufacturers who furnished workers with raw materials,—sometimes even with machines,

<sup>1</sup> Mercantilism still lingers in the form of protective tariffs. The theory opposed to mercantilism is known as *laissez faire*.

— and paid them for their work. This new system grew in importance until by the middle of the eighteenth century it characterized many industries, particularly that of woollen cloth. In fact it paved the way for the Industrial Revolution of the late eighteenth and the early nineteenth century.

The English Industrial Revolution may be said to have begun with the accession of George III to the English throne in 1760, for about that time the spinning jenny and the power loom were invented, and steam was first applied to machinery employed in manufactures.<sup>1</sup> These inventions and applications opened the way for improvements in manufactures which practically reshaped English industry. More than that, they increased the political power of the merchants and manufacturers. Such changed conditions in government and industry so far as the colonies were concerned could have but one result, namely: the further demand that colonial manufactures, small as they were, should not be allowed to compete with the manufactures of the mother country.

**66. English Legislation on Colonial Manufactures.**— Throughout the colonial period the English lawmakers discouraged, and, even at times, positively prohibited the colonists from developing any manufactures that would compete with similar industries in the mother country. In legislating in this manner, they were merely putting in practice one of the theories of the mercantilists; and we may well believe that they were supported in their actions by the rising manufacturing classes in England.<sup>2</sup>

<sup>1</sup> Machine	Inventor	Date of Invention
Spinning jenny . . . . .	James Hargreaves . . . . .	1764
Water frame . . . . .	Richard Arkwright . . . . .	1769
"Mule" . . . . .	Samuel Crompton . . . . .	1779
Power loom . . . . .	Edmund Cartwright . . . . .	1784

Definite improvements were made in the steam engine by James Watt in 1766. In 1785 steam power was "first supplied to a silk mill, and to a cotton mill (in 1785) and was adopted in Manchester and Glasgow, great cotton centres, in the next seven years."

<sup>2</sup> Prior to this time, the land-holding classes had controlled the English government.

During the first century after Jamestown was settled the colonists were busily engaged in gaining a foothold in the new world; they had little time to devote to manufactures. There was small need then for Parliament to give attention to colonial industry. In time, however, as we may expect, some of the colonists earnestly turned their attention to manufactures, only to meet with discouragements and prohibitions on the part of the English government. In 1699, for instance, the colonial woolen cloth industry, which was beginning to be of some importance, was seriously crippled when the exportation of "Wool, Woolfelts, Shortlings, Morlings, Wool Flocks, Worsted, Bay or Woolen Yarn, Cloath, Serge, Bays, Jerseys, Says, Frizes, Druggets, Cloath Serges, Shalloons or any other Drapery, Stuffs or Woollen Manufactures whatsoever, made or mixed with Wool or Wool Flocks, being of the Product of Manufacture of any of the English Plantations in America," was prohibited "to any other of the said Plantations, or to any other place whatsoever." A generation later (in 1732), the exportation of hats from the colonies was forbidden. Such laws as these did not prohibit the people from carrying on manufactures in their homes or even in manufacturing establishments. They did, however, effectively limit the output to the local colonial market by cutting off all markets outside the colony where any particular manufactured commodity was produced. A restriction of a more serious nature came in 1750, when the colonists were forbidden to erect any "slitting or rolling mill or plate, forge or steel furnaces."<sup>1</sup>

Thus the interference of the English government in colonial industry retarded manufactures in the colonies, and, we may well believe, contributed to the discontent which culminated, in 1775, in the Revolutionary War.

<sup>1</sup> The general attitude of the English government was well expressed in a report on American Industries made to Parliament in 1732. After enumerating the industries in each colony the report said, "And therefore, we would humbly beg leave to report and submit to the wisdom of this Honourable House, . . . whether it might not be expedient to give those colonies [New England] proper encouragements for turning their industry to such manufactures and products as might be of service to Great Britain. . . ." *Report of the Lords Commissioners for Trade and Plantations to the House of Commons, 1732.* Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, p. 65.

**67. Bounties Paid by England on Colonial Industries.**— In line with her policy of developing her own manufactures at the expense of the colonies, England encouraged the colonists to produce commodities highly desired in England, but which could not be produced there, or were not produced in sufficient quantities for the home demand. This encouragement took the form of bounties paid to the colonists.<sup>1</sup> Thus at one time or another, particularly after 1700, such bounties were paid on naval stores (tar, pitch, turpentine, and rosin), indigo, flax, and hemp; barrel, hogshead, and pipe staves. To the same end — the strengthening of the navy and the development of manufactures — colonial bar and pig iron was admitted into England at a tariff rate much reduced from the rate charged on similar iron from Sweden.

## II. COLONIAL MANUFACTURES

**68. Nature of Colonial Manufactures.**— The term *manufactures*, as used in the modern sense, was scarcely applicable to any form of colonial industry. Yet in order to distinguish among the various economic activities of the colonists, let us group all industries not essentially agricultural or commercial and apply to them the term manufactures. In this group, we may place such industries as spinning and weaving; iron making and the fashioning of tools and implements from iron; ship-building and lumbering;<sup>2</sup> and the making of naval stores.

These industries were characterized by meagerness of equipment, capital, and output; by a scarcity of improved machinery and skilled labor; and by their close relation to agriculture. Spinning and weaving were carried on largely in the homes; crude and primitive methods characterized iron making; tools, machinery, and implements were almost exclusively the product of local blacksmith shops; while lumbering and the making of naval stores were usually by-

<sup>1</sup> In granting bounties the government paid a fixed sum per ton, for example, to the producer above the market price of the particular commodity.

<sup>2</sup> Such industries as lumbering are more properly classed among the *extractive* industries.

industries of agriculture. Perhaps the most distinctive and the highest developed form of manufacture in the colonies was ship-building. In this industry the colonial ship-builder competed on equal terms with the English ship-builder, and often at an advantage.

**69. Domestic Manufactures.**— Colonial industry was characterized by domestic manufactures — that is, manufactures in the home.

The colonists brought with them to the new world the art of making cloth; and largely through necessity they continued and improved its processes, handing them down from one generation to another. The same may be said of the tanning of leather, of boot and shoe making, and of harness making. Cloth making, however, because of the steady demand made on its product, was the most important of all the colonial domestic manufactures.



A Spinning Wheel

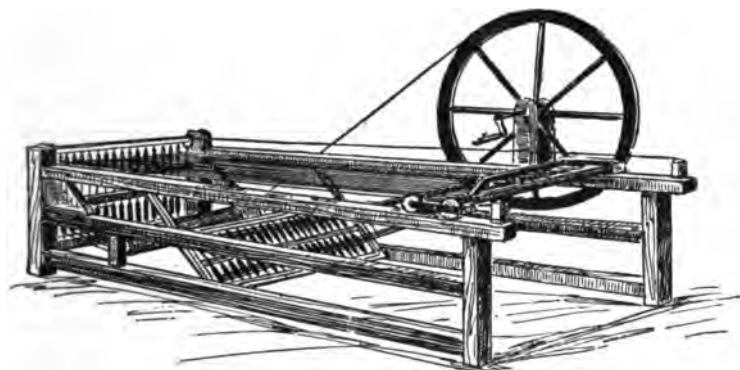
During the Colonial period, and later on the frontier, a great deal of cloth was woven from thread spun on "Grandmother's Spinning Wheel."

From the scanty and disconnected information we have concerning the colonial cloth industry, several important facts are fairly well established. First, the industry prevailed in all the colonies, particularly in the rural sections. Second, there was not a sufficient

quantity produced in any one colony to supply its own demands. Third, the cloth was more likely to be used in the home where it was made than it was to be sold. Fourth, the product was coarse and inferior to English cloth of a similar grade. Fifth, the lighter processes of manufacture, as spinning and weaving, were carried on principally by women and children. Sixth, the industry, while it was

regarded by the English cloth manufacturer as harmful to his business, was not unduly discouraged by the English government.

The principal cloths woven in the colonial home were homespun and linen. The former was made of wool; the latter, of flax. Both entered into the making of garments for the people. In New York, traveling weavers went from house to house, giving instructions in



Hargreave's Spinning Jenny

Perhaps the greatest step in manufacture was made when Hargreaves, an English weaver, made in 1767 a machine for spinning thread, which operated eight spindles at the same time. The illustration above shows an early improvement over the original "Jenny."

cloth making. In the south the "loom house" presided over by the mistress was an indispensable feature of the plantation.<sup>1</sup>

**70. Manufacturing as a Business.**—Manufacturing in the home differed materially from manufacturing as a business. In the one case, the work was performed by the unpaid labor of the household, and the product largely consumed by the laborers; in the other, the labor received wages, and the product was placed on the market in competition with English goods. In the one case, the English government offered no serious interference; in the other, discouragements, restrictions, and even prohibitions were placed on manu-

<sup>1</sup> At Mount Vernon one may see the "loom house," where are kept the necessary machines and tools formerly used for making cloth.



factures, and on the exportation of their products. In conducting his business, the colonial manufacturer was compelled to meet the opposition not only of the English government, but also of his English competitor. Labor was scarce in the colonies, and wages were high. The frontier with its freedom of action and abundance of new land unfitted workers for factory discipline. Much of the machinery was inferior. Capital was inadequate for large operations. All of these disabilities combined to retard colonial manufactures. Thus an explanation of the development of these industries includes more than a mere recital of English opposition, important as it was. It includes an understanding of the economic obstacles which manufacturers must always encounter in pioneer communities, namely: high wages; high interest rate; lack of capital, skill, and local markets; inferior machinery.<sup>1</sup>

**71. Manufacture of Cloth.**— The colonial cloth industry as carried on outside the homes was characterized by two closely related features. One of these features was the shop, or factory, as we would call it today, in which practically all the processes of cloth making were carried on. There the master and his helpers cleaned and carded the wool, spun the yarn, wove, full, and dyed the cloth.<sup>2</sup> The raw materials the master bought or received in exchange for cloth; the finished product he sold or exchanged at his own door, or sent to the market. The second feature was the practice of masters in doing custom work — that is, completing work already begun in the homes. To the weaver, for instance, the neighboring families carried yarn to be woven into cloth. More often they wove their own cloth and then carried it to the fuller or dyer to be finished. For this work they sometimes paid money; more often, yarn or cloth. These two features grew up side by side, and they were closely related, so closely in fact that it is practically impossible to distinguish between them, for the same master often gave a portion of his time to working up his

<sup>1</sup> Later, manufactures on the American frontier encountered the same difficulties.

<sup>2</sup> See dictionary for description of the fulling process.

own raw materials into finished product for the market and a portion to completing the work already begun in the household.

The greatest development of colonial cloth making took place in New England. There the local authorities encouraged the erection of fulling mills and dyeing houses. They even paid bounties for improvements in old processes, and for discoveries of new ones. Encouraged by these efforts, skilled cloth makers emigrated from England and Ireland to the New England colonies. They brought with them a knowledge of the best processes then practiced in the mother country. Unhampered by the restrictions of the English government and by the hindrances placed on manufactures by colonial conditions, the clothmakers would have succeeded better than they did. As it was, they proved that the Americans would be able to manufacture cloth at a profit under more favorable circumstances.

**72. Production of Iron.**— In the production of iron the colonists met fewer natural obstacles than they did in the manufacture of cloth. Bog ore was found in all the colonies; the fuel used in smelting it was abundant and close at hand. Consequently, the making of pig and bar iron became an important colonial industry. In 1731 it was estimated that there were six furnaces and nineteen forges in New England alone.

The making of iron led naturally to the manufacture of edged tools, agricultural implements, chains, anchors, household utensils, and fire arms. In those manufactures, Swedish or English iron, because of its superiority, was often used in preference to the home product. The development of the iron industry in the colonies met opposition at the hands of English iron makers and English lawmakers, who were persuaded that it was injurious to the best interests of the mother country. Hence in 1750, as has been pointed out in another connection, Parliament prohibited the erection in the colonies of any "slitting or rolling mill, plating forge or steel furnace, under a penalty of £200." The same law did, however, encourage the production of colonial pig and bar iron by giving it a preference in the English markets over Swedish iron.

**73. Miscellaneous Manufactures.**— In addition to making cloth, iron, and iron products, the colonists engaged, in a small way, in a variety of miscellaneous manufactures, none of which required large capital, complicated machinery, or factory conditions. Important manufactures of this character were tanning, and leather products, such as boots, shoes, gloves, and harness; furniture and cabinet wares; wagons, carriages, carts, and wooden tools; brass, copper, tin, and glass wares; bricks, tiles, and potteries; rope, twine, and sail cloth; paper and printing; spirituous and malt liquors; salt; beaver and straw hats. While most of these products were consumed at home, a few of them entered into intercolonial trade and into the export trade with the West Indies and southern Europe.

In many respects the grinding of wheat and corn was the most important manufacturing industry among the colonists. Flour and grist mills not only turned out an indispensable colonial product, but also they determined the location of many settlements and became the centers of neighborhood activities. Around them were grouped stores and shops, and toward them converged the local highways.



Ship Building in Colonial Times

As a consequence more than one American city near the Atlantic seaboard owes its location to the early milling industry.

**74. Ship-building in the Colonies.**—Ship-building enjoyed a prosperity denied to practically all other colonial industries. It was not discouraged and restricted by the English government; nor was it seriously hindered by a scarcity of labor and capital, for the abundance of ship timbers at the water's edge more than made up for losses in wages and interest. The first ocean-going vessel built in America by the English, "a faire pinnance of thirty tons, called the *Virginia*," was launched at the mouth of the Kennebec River in 1607. A few years later we find the industry begun in the Plymouth colony. From there it spread rapidly to all the New England colonies. In 1676, there were in Massachusetts alone 730 vessels classed according to their tonnage, as follows:

30 vessels of between 100 and 250 tons <sup>1</sup>
200 vessels of between 50 and 100 tons
200 vessels of between 30 and 50 tons
300 vessels of between 6 and 10 tons

Forty years later the same colony had vessels aggregating 25,000 tons and employing 2500 sailors.

Although the English lawmakers did not impose restrictions on colonial ship-building, they were often urged to do so by the Thames ship-builders, who complained that the colonial industry was endangering the royal navy by drawing the best English mechanics from the mother country to the colonies. Their real reason for complaint was, however, that they were unable to compete on equal terms with the colonial ship-builders. In England the cost of building first class sea-going vessels was about £10 a ton; in the colonies, about £6 a ton. Fortunately the government paid little heed to the complaints of the English ship-builders, with the result that American-

<sup>1</sup> Compare the size of these vessels with modern ocean steamers, some of which have displacements of more than 30,000 tons.

made vessels increased greatly in number, and had a world-wide reputation for speed and seaworthiness.

**75. Lumbering in the Colonies.**— Another industry, which for convenience we have placed among manufactures, was lumbering. This industry was to be found in some form in all of the colonies. It embraced the cutting and rafting of logs; the sawing of boards and timbers; and the making of pipe, hogshead, and barrel staves, headings and hoops, shingles, boards, and clapboards, and pot and pearl ashes. Rude saw mills run by water were built in the colonies at an early date, in New England in 1628 and in Virginia in 1652. By the middle of the eighteenth century, they had become numerous. In these mills, house timbers, ship timbers, boards, and headings were sawed. Hoops, staves, and clapboards were split by hand. Some of the products were used at home, some exported to the West Indies. Particularly important in the latter trade were staves, headings, and hoops, for the sugar planters in that region depended on the colonists to supply them with materials for barrels and hogsheads.

The colonists were as wasteful with the timber supply as they were with the fertility of the soil. In fact, the two forms of waste went hand in hand. The forests fell before the march of the farmers, planters, and lumbermen. What they could not use they destroyed.

**76. Production of Naval Stores.**— Closely related to the lumbering industry was the production of naval stores. These included tar, pitch, turpentine, and rosin. They were the product of the hard pine of the South, particularly of the Carolinas, and were used extensively in the construction of naval and other vessels; hence the name, *naval*. As we have seen in another connection, the English government encouraged the production of naval stores by paying bounties. In 1706 a bounty of £4 a ton was paid on tar and pitch, and £3 a ton on rosin and turpentine. Despite this encouragement, however, the production of naval stores seems to have been of no great consequence.

## ORAL AND WRITTEN EXERCISES

1. Why did England discourage colonial manufactures?
  2. What was the English Industrial Revolution? How did it affect colonial industry?
  3. What obstacles did colonial manufactures meet aside from hostile English laws?
  4. What was the chief household industry in the colonies? Why?
  5. How did manufactures in the home differ from manufactures as a business?
  6. Enumerate the important articles manufactured by the colonists.
- 

7. Who was Silas Marner?
- 

8. Suggested topics for oral or written report:  
The Colonial Policy of England.  
Effects of Free Land on Colonial Manufactures.  
American Ship-building during the Colonial Period.

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CHAPTER VI  
COLONIAL COMMERCE AND THE ENGLISH  
COMMERCIAL POLICY

1607-1763

**I. LOCAL AND INTER-COLONIAL TRADE**

**77. Character of the Local Colonial Trade.**— The local trade in the colonies was such as we might expect to find in any pioneer community. Each family produced many of the articles it consumed. Exchanges were carried on largely by barter — that is, by exchanging one commodity for another without the use of money. The typical farmer had a surplus of food, such as grain and meat; hides, lumber products, and wool. These he traded to other farmers for their surplus products, or to the local merchant for iron, tools, salt, spices, molasses, cloth, or for any other necessary article his household could not produce. The merchant in turn sold them to local customers or to other merchants for export. Thus the farmers borrowed, loaned, and exchanged among themselves. Even in the towns the people raised a great deal of what they ate, and many of them wove the cloth for their own clothes. They had gardens; their pigs and poultry they often allowed to range freely in the streets; on the com-



The Pine Tree Shilling, Obverse and Reverse. Note the spelling: *Masathusets*



mon they pastured their milch cows. There, as in the country districts, we find an exchange of goods for goods, goods for labor, and labor for labor. In the larger towns there were stores and shops, while in some of them, notably in Philadelphia, fairs and markets facilitated buying, selling, and exchange. Such methods of trade, cumbersome as they may appear, served fairly well as long as the communities were isolated and self-sufficing. With the widening of the markets and the development of division of labor, however, there arose a demand for easier and better methods of exchange.

The colonists felt keenly the need of some kind of money, preferably gold or silver coins. Yet the quantity of these metals in the colonies was too small for general use. The money the colonists had brought with them to the new world, as well as the greater portion they were able to get in the West Indies trade, was being constantly sent to England for manufactured goods. Consequently, the colonists were often compelled to resort to making direct exchanges as we have already noticed, or to use some plentiful commodity as money. Thus in Virginia, tobacco was used to pay debts, taxes, and public officials; in New England, Indian corn served in the place of money; on the frontier, beaver skins passed current from hand to hand.<sup>1</sup> Such methods, however, were cumbersome and unsatisfactory. The colonial governments, therefore, in an attempt to improve on them issued paper money called bills of credit. Massachusetts issued the first bills in 1690, in order to pay the colonial troops on their return from an unsuccessful attempt to capture Louisburg. The bills were the first ever issued in any English

<sup>1</sup> Because of the scarcity of money the colonial governments provided that different commodities should have definite values as mediums of exchange. The following shows the values given to commodities in North Carolina in 1715:

	£	s.	d.		£	s.	d.
Indian Corn per bushel . . . . .	1	8		Leather Tann'd uncurried per			
Tallow per Pound . . . . .	1	5		pound . . . . .		8	
Beaver & Otter Skins per Pound . . . . .	2	6		Wild Cat Skins per piece . . . . .		1	8
Butter per Pound . . . . .		6		Cheese per Pound . . . . .			4
Raw buck & Doe Skins per Pound . . . . .		9		Drest Buck & Doe Skins per			
Feathers per Pound . . . . .	1	4		Pound . . . . .		2	6
Pitch per Barrel full gauged . . . . .	1			Tar per Barrel full gauged . . . . .		10	
Pork per Barrel . . . . .	2	5		Whale Oil per Barrel . . . . .	1	10	
Tobacco per 100 cwt. . . . .	10			Beef per Barrel . . . . .	1	10	
Wheat per Bushel . . . . .	3	6					

Taken from the *Colonial Records of North Carolina*, vol. IV, p. 921.

speaking country. Other colonies followed the lead of Massachusetts until paper money was being used in all of them. In general the bills of a colony had little or no circulation in any other colony, and none at all in England. They were usually depreciated, so much so at times that they were worth in coin but a fraction of their face value. Naturally complaints arose against the bills until in 1751 Parliament restricted their issue in the New England colonies. Thirteen years later (1764) the restrictions were extended to the rest of the colonies.

#### 78. Communication and Travel in the Colonies.—

As the colonies grew in population and wealth, the need for inter-colonial communication, travel, and trade became greater. Travel and communication by water were comparatively easy, for the principal settlements were on or near the sea. Freighting vessels of small tonnage and light draft coasted from settlement to settlement, and up and down the rivers, carrying passengers and letters as well as cargoes. By these means the colonial governments were enabled to keep in touch with each other; merchants, to inform their agents of trade conditions; and travelers, to visit distant places.

Farther inland, communication necessarily was by wagon roads and bridle paths. These roads and paths usually followed Indian trails, the location of which had been previously determined by the paths of wild animals. Naturally they kept to the highlands, crossing rivers at natural fords, and passing near watering places and salt



Massachusetts Bay Colony Bill of Credit, Three Shillings, "equal to nine pennyweight of coined silver. Shall be accepted in all payments and by the Treasury, Boston."

licks. In some of the colonies the local authorities kept the roads and bridges in repair at public expense. The longest and best known of these interior roads extended from Philadelphia southwestwardly through Maryland, Virginia, and North Carolina into South Carolina. Naturally many important settlements sprang up along these routes. Travel was usually by foot or on horse back. Here and there at convenient places were inns for the entertainment of travelers. A stage line connecting Philadelphia and New York was established in 1756. Although the trip required three days, the owner of the line advertised his coaches as "flying machines."

**79. Inter-colonial Trade.**—Inter-colonial trade on the whole was little molested by the English government; hence it developed with the growth of the colonies, and had attained considerable importance by the beginning of the Revolutionary War. To the southern colonies, New England sent dried fish, and manufactured goods in the form of tools, implements, and wagons; tin and glass ware; boots, shoes, cloth, and hats. To the same colonies, Pennsylvania and New York shipped flour, and lumber for barrels and hogsheads. The northern colonies bought tobacco from Virginia, and rice and naval stores from the Carolinas, a large portion of which they resold to England. There was also a considerable trade in foreign goods among the chief seaports. Merchants of Philadelphia, for instance, often sent Spanish wines, English cloth, and Oriental goods to the New York market. Similarly, Newport importers shipped West India molasses and sugar to Boston, New York, and Philadelphia.

In carrying on this trade the New England shipmaster coasted from town to town. One portion of his cargo was likely to be made up of goods regularly consigned by merchants to their agents or to other merchants. A second portion, often the larger, he carried on his own account, offering it for sale to anyone who cared to buy.<sup>1</sup> In turn he bought goods to be resold in some other port. Thus up and down the coast from Boston to Charleston these "floating merchants"

<sup>1</sup> Captains advertised their cargoes for sale either by hand bills or in the newspapers.

carried on a thriving business; and in doing so they aided materially in the industrial development of the colonies.

**80. The Fur Trade.**— During the early years of colonization it was a comparatively simple matter for the colonists to trap the beaver and other fur-bearing animals, and to exchange European goods with the Indians for furs and pelts. The spread of settlement, however, pushed both the Indians and the wild animals into the interior. Then trading and trapping became a business to which men gave their entire time. All of the colonies had some interest in the fur trade, but in New York alone did it develop to any great extent. In that colony lived the Iroquois Indians, who steadfastly refused to trade with the French. They carried furs in large quantities to Albany where they exchanged them for "Blankets, and other Manufactures of *Great-Britain*." The possession of the Iroquois trade, however, was not sufficient to place the English, as fur traders, on an equal footing with the French, who held the St. Lawrence and Mississippi valleys.<sup>1</sup> It was estimated in 1755 that the value of the annual shipments of furs to France was £135,000; to England, scarcely £90,000. The fur trade itself appears not to have been excessively profitable to the colonies, for it was in the hands of English traders who exchanged English goods for furs to be sent directly to England.<sup>2</sup>

## II. ENGLAND'S COMMERCIAL POLICY

**81. England on the Sea.**— England's commercial policy of the sixteenth, seventeenth, and eighteenth centuries was the result of a conscious attempt on the part of the government to follow the mercantilist doctrine of securing control of the sea. In addition, her statesmen reasoned that the only permanent security for the island lay in curtailing, if not in completely destroying, the commercial

<sup>1</sup> The Iroquois did some trading on their own account with the Indians of the Mississippi Valley and upper lake region.

<sup>2</sup> The opinion prevails that the French succeeded better than the English in dealing with the Indians. However that may be, the Indians preferred English goods because they were cheaper and of better quality.

power of other nations. To that end the English lawmakers directed their energies, and in so doing they influenced greatly the development of colonial trade and commerce.

For centuries the English people had contented themselves with developing their agriculture and internal trade, leaving foreign commerce to the Dutch, the Hansards, and the Italians. But under the Tudors they began to realize their favorable position as a maritime power.<sup>1</sup> Consequently English ship captains went into every sea. They traded, warred, and even carried on piratical expeditions. All this was done with but one end in view — the supremacy of the English as a sea power. One after another they weakened their commercial rivals. In 1588 they destroyed the Spanish Armada; under Cromwell they restricted the commercial activities of the Dutch; in the next century they crippled their last rival, the French, by taking from them their North American colonial possessions.

**82. The Navigation Act of 1651.**— When the first English settlements were planted in America, the colonists were usually exempted from commercial regulations. These exemptions might have continued for many years had not the rapid growth of the Dutch carrying trade after 1600 caused the English government to impose restrictions on foreign vessels engaged in English commerce. Accordingly, in 1651 Parliament enacted that "No Goods or Commodities whatsoever, of the Growth, Production or Manufacture of *Asia, Africa, or America*, or of any part thereof; or of any Island belonging to them or any of them, . . . as well of the English Plantations as others, shall be Imported or brought into this Commonwealth of *England*, or into *Ireland*, or any other Lands, Islands, Plantations or Territories to this Commonwealth belonging, or in their Possession, in any other Ship or Ships, Vessel or Vessels, Whatsoever, but onely in such as do truly and without fraud belong onely to the People of this Commonwealth, or the Plantations thereof, as the Proprietors or right Owners thereof."<sup>2</sup> In short, the act limited the carrying trade between the

<sup>1</sup> See pages 11, 12.

<sup>2</sup> The Navigation Act of 1651 is reprinted in MacDonald's *Select Charters*, pp. 106-110.

colonies and England to English vessels manned by English seamen. It must be kept in mind that the word "English" includes colonies and colonists. The act also provided that goods of European production brought into England must be carried either in English ships or in ships belonging to the country where the goods were produced. Thus the Dutch in being cut off from the English trade suffered severely, for their greatest commercial activities were not in carrying their own goods but in carrying goods from one foreign nation to another.

**83. The Navigation Act of 1660.**—Nine years later (in 1660), Parliament re-enacted and systematized the earlier navigation acts. The act of 1660 not only restricted colonial commerce to English and colonial vessels; it went farther by enumerating particular colonial products that must be exported to the mother country. It provided that "noe Sugars, Tobaccho, Cotton-Wool, Indicoes, Ginger, Fustick, or other dyeing wood of the Growth, Production, or Manufacture of any English Plantation in America, Asia or Africa" should be shipped to any place whatsoever except England, Ireland, or Wales. The colonial exports listed in this and later acts are known as *enumerated* articles, while all others are known as *non-enumerated* articles.

**84. Later Navigation Acts.**—Later navigation acts were in the main mere modifications of the act of 1660. In 1663 Parliament attempted to secure for English merchants a partial monopoly of the colonial import trade by providing that all European goods shipped into the colonies should come *from* or *through* England. Early in the next century several articles were added to the enumerated list: rice, naval stores, and ship timber in 1706; copper ore, bar and pig iron, pot and pearl ashes, and beavers skins in 1722; whale fins, hides, and molasses in 1733. Until 1766 the colonists were allowed to export non-enumerated articles to all parts of continental Europe. In that year the English government prohibited such exports to countries north of Cape Finisterre.

**85. The Sugar Act of 1733.**—One of the later laws directed against colonial trade influenced greatly the relation between the

colonists and the mother country. It is known as the Sugar, or Molasses, Act. This law was enacted by Parliament in 1733 in response to a demand made by the planters of the English sugar islands in the West Indies, who claimed that they were suffering from the practice of colonial shippers' buying their sugar and molasses in the French and other foreign islands. To remedy what appeared to the English government to be a serious evil, Parliament proposed to prohibit the colonists from buying sugar and molasses from foreign islands, thus giving the English sugar planters the monopoly of the colonial trade.

When the colonists learned of this proposal, they protested. Pennsylvania merchants, for example, objected on the ground that the English sugar planters were unwilling to buy colonial products in quantities sufficient to pay for the sugar and molasses desired by the colonists. They frankly acknowledged that they had been trading with the foreign islands simply because it was only there that they could dispose of their surplus food supplies and lumber. Another protest laid before Parliament went to the heart of the matter by declaring that the ability of the colonies to buy manufactured goods from England depended in large part on their trade with the foreign islands where they received money for their products. It pointed out that this trade "centers in *Great Britain*, by means of the Ballance of Trade; For their Industry chiefly centers in this, *viz.* to make Returns to *Great Britain* to purchase its Manufactures; and the more they are enabled to make Remittances home, the greater their Demand will be of those Commodities."

In spite of these and other protests, Parliament in 1733 imposed a tax on rum, molasses, and sugar imported from foreign islands into the continental colonies; nine pence on each gallon of rum, six pence on each gallon of molasses, and five shillings on each hundredweight of sugar.

**86. Effects of English Restrictions on Colonial Trade and Industry.**—The navigation acts proper, and other restrictive acts, such as the one relating to sugar and molasses, affected colonial trade

and industry in various ways. The act of 1651, which was intended primarily to regulate commerce between the mother country and her colonies, stimulated colonial ship-building and the colonial carrying trade by giving English and colonial ship owners the monopoly of this commerce. Later acts, as we have seen already, went farther and restricted the freedom of colonial trade. In the act of 1660 the only North American product affected by the enumerated list was tobacco. Even though the English lawmakers prohibited its exportation to other countries, they compensated the colonies for the loss of their markets by encouraging its re-exportation from England to the rest of Europe, by prohibiting its cultivation in England, and by placing a heavy tax on tobacco imported into England from other countries. In both these respects the American colonies appear to have been benefited by the colonial policy of the mother country.

The non-enumerated articles, which included almost every colonial product of any great importance, were excluded from the English markets, and, after 1766, even from the markets of France, Holland, and the Scandinavian countries. Such a policy of exclusion, however, did not within itself seriously injure the industrial progress of the colonists. They merely traded with the West Indies and southern Europe instead of with the mother country. They were injured, however, when the English government required them to import their European goods from England and their rum, molasses, and sugar from the English plantation in the West Indies. The first requirement often compelled the colonial ship captain, after unloading a cargo of non-enumerated articles in southern Europe, to sail to England for a load of colonial imports, or to return home with an empty hold. The second requirement cut off the supply of money from the foreign West India islands, which the colonists had used to buy manufactured goods from England.<sup>1</sup>

In regulating colonial industry, the English government, as has been repeatedly pointed out, was merely following the mercantilistic doctrine of commercial independence and industrial self-sufficiency;

<sup>1</sup> Opinions on effects of navigation acts are found in Channing's *History of the United States*, vol. II, pp. 165, 167, 280; Gibbins's *Industry in England*, p. 287.



and, however necessary they may have been to the well being of the mother country, these regulations caused friction with the colonies and added to the general unrest which terminated in the Revolutionary War.

### III. COLONIAL FOREIGN COMMERCE

**87. The Carrying Trade.**— With the attitude of the English government toward colonial commerce explained, we can now turn our attention to the commerce itself — its character, extent, direction, and value. Some colonial vessels engaged



Colonial trading vessels of  
an early period

in the carrying trade among foreign nations, seldom if ever returning to American ports. A much greater number carried colonial products to the West Indies, to Africa, to Southern Europe, and to England, returning to the colonies with cargoes of manufactured goods from Europe, or of molasses and sugar from the West Indies. Some of these vessels regularly carried goods for hire; more often the owner of the cargo was also owner of the vessel. In either case, the risk of capture by pirates or of destruction by storm was considerable.

Consequently it was the general custom for several merchants to have interests in both cargo and vessel. Usually they permitted the captain and mate to trade on their own account, thus making it to their interest to handle the vessel with care and to return it safely to the home port.

The voyages undertaken by many of these vessels were characterized by their irregularity and uncertainty. Ship captains carrying goods for hire had few regular customers on whom they could depend for steady employment. Often times they were detained in port while "drumming up business." Even then they had no assurance of securing a full cargo. Vessels owned by merchants were

more certain to be loaded, yet their trips were exceedingly irregular. A Boston merchant might despatch a vessel to the West Indies on one trip, to Africa on the next, and to England on the third; its route depended largely on the reported state of markets in the various countries.<sup>1</sup> There was, however, a degree of regularity in certain phases of colonial commerce, which makes it possible to examine them with some detail.

**88. Direction of Colonial Commerce.**—The English commercial policy directed the foreign trade of the colonies in rather definite lines. New England exports, which belonged almost exclusively to the list of non-enumerated articles, were necessarily shipped to southern Europe and the West Indies. The vessel carrying them to southern Europe for example, was loaded there with European goods to be carried to the West Indies; there it exchanged them for molasses, sugar, and rum. This trade is generally known as round-about or triangular trade. The slave trade was another triangular trade, in which the points of the triangle were New England, the Guinea coast, and the West Indies. The trade in enumerated articles and in goods exported from England to the colonies was more direct. Vessels carried tobacco, rice, and naval stores to the mother country to be exchanged for tea, coffee, spices, cloth, iron, and other old-world products.

**89. The Slave Trade.**—One of the most profitable commercial enterprises undertaken by the colonists was the slave trade. New England ship captains made regular voyages to the Guinea coast, where they traded rum and bar iron for negroes and gold dust. From there, they carried their human cargoes to the West Indies, to the southern and middle colonies and even to New England. More often, however, the slaves whom they carried to the colonies had been born in the West Indies, or at least had lived there for a period of years, for it was necessary to accustom the negro gradually to the

<sup>1</sup> An interesting account of a "complex trading voyage" is given in Weedon's *Social and Industrial History of New England, 1620-1789*, p. 585.

harsher climate of the north. In either case the colonial commercial interests reaped an advantage. They sold their rum at a profit, gave employment to ships and crews, and brought into their own pockets the gold dust of the Guinea coast and the coined silver of the West Indies.

Contrary opinions are held concerning the manner of storing the slaves away on the vessels and the treatment accorded them while on board. Some hold that they were packed in the vessels "like sardines," and even chained to the floor. Others claim that they had better quarters and less cause for complaint than had the first settlers on their voyage to Jamestown or the Pilgrims on the *Mayflower*. Whatever the truth may be, the average ship captain was desirous of landing as many healthy slaves as possible for he usually had an interest in their sale. No doubt, however, the conditions under which the slaves were transported were harsh and at times even brutal.

It is impossible to determine with any degree of certainty the number of negroes brought into the colonies from Africa and the West Indies; nevertheless, it appears to have been considerable, for the increase in the number of slaves in Virginia and the Carolinas after 1700 was greater than could have been expected as the result of natural causes. It has been estimated that the number landed in the English colonies, including the Sugar Islands, between 1698 and 1707 exceeded 200,000. Between that time and the outbreak of the Revolutionary War in 1775, a million or so more were carried by English and colonial shipmasters from Africa to America. Perhaps a majority of those imported were sold to the Spanish; others were retained on the English sugar plantations; many found their way both directly and indirectly into the continental colonies.

**90. Extent of Colonial Commerce.**—The extent of colonial commerce, measured either in dollars or in tonnage, can only be estimated, for much of it was carried on secretly, contrary to English commercial laws. It was estimated in 1761 that five hundred vessels cleared from Boston in that year for foreign ports. Two years later another estimate gave the value of goods exported annually from New England

as £485,000. New York and Philadelphia at that time appear to have been as important in the export trade as was Boston. From New York the value of goods shipped to foreign countries exceeded £525,000; from Philadelphia, £700,000. At about the same time Virginia exported farm products valued at £1,000,000. Thus at the outbreak of the Revolutionary War the colonists were exporting products of their farms, forests, and fisheries to the value of more than £3,000,000. Their imports were approximately the same.

The chief commodities entering into the export trade were tobacco, £750,000; flour and wheat, £800,000; lumber and naval stores, £200,000; dried and salted fish, £100,000. In return for these the colonists received manufactured goods from England, slaves, sugar, and molasses from the English West Indies, and gold and silver coin from southern Europe and the foreign islands.

**91. The Fisheries.**—Another industry closely related to foreign commerce was the fisheries. Along the North Atlantic coast, even before the first settlements were made there, the English had established fishing stations. With the settlement of the country the colonists, particularly those of New England, naturally turned to the fisheries as an important source of food supply, both for home consumption and for export. England closed her markets to colonial fish supply because she desired to develop her own fisheries in the interest of her commerce and the navy. Consequently the colonists depended on southern Europe and the West Indies to buy their surplus fish. Both sections were good customers. Catholic Europe consumed the better grades, while the planters of the West Indies used the inferior grades to feed their slaves. The industry employed hundreds of ships and thousands of men and boys. It not only brought great wealth to New England, but it also served as a training school for colonial seamen. Whale fishing likewise was a profitable industry. The colonial whalers were known the world over for their daring and skill. At first they fished off the New England coast, but when the whales left, they followed them into the Arctic and Antarctic oceans.

**92. The Balance of Trade.**— In developing their foreign commerce, the colonists were compelled to take into account the balance of trade — that is, the difference between the value of their imports and the value of their exports. The policy of the mother country in excluding practically all the colonial products from the English markets, and in requiring the colonies to buy their manufactured goods of English merchants, necessarily made the colonists buy more goods in England than they could sell there; hence they were compelled to pay the difference, or balance, in money. This they did with the profits of their trade with southern Europe, Africa, and the West Indies, and with the freights earned by colonial merchantmen. Much of this trade was illegal, however, in the eyes of the English law. But as long as no attempts were made to enforce the law against the traffic, the colonists continued to enjoy it, sending their freights and profits to England to pay the balance of trade.

#### ORAL AND WRITTEN EXERCISES

1. Locate Cape Finisterre.
2. Show on a map the angles of the three cornered trade.
3. Locate the Guinea coast.
- \_\_\_\_\_
4. How was trade carried on with the Indians?
5. How did the fur trade affect colonial settlement and industry?
6. Did the Navigation Acts regard colonial ships as English or foreign?
7. What were the important enumerated articles? Why so called?
8. Why did Parliament impose a sugar tax in 1733?
9. Why were bounties paid on some colonial products?
10. Why did England refuse to buy fish from the colonies?
- \_\_\_\_\_
11. From whom did slave traders buy slaves?
12. What was the "middle passage"?
- \_\_\_\_\_
13. Suggested topics for oral or written reports:  
    Paper Money in the Colonies.  
    The Fur Trade.  
    Effects of the Navigation Acts on Colonial Commerce.  
    The Three-cornered Slave Trade.

## 14. Important dates:

1651 — First Navigation Act.

1690 — First issue of paper money in the colonies

1733 — Molasses Act.

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**CHAPTER VII**  
**CAUSES AND COURSE OF THE REVOLUTIONARY WAR**  
**1763-1783**

**I. CAUSES OF THE REVOLUTION**

**93. England's New Colonial Policy.**—With the expulsion of France from North America in 1763, England entered on a course of colonial restrictions, which so irritated the colonists as to cause them in 1775 to break with the mother country. Her government set definite western boundaries for the colonies and forbade the colonists to cross these for the purpose of making settlements. It imposed new restrictions on colonial commerce, and, what was more important, enforced older restrictions which, for a century, the colonists had been permitted to evade. To these it added troublesome and heavy taxes much to the detriment of colonial commerce and industry. This new policy, however justified the king and his advisers may have felt in adopting it, was opposed by the colonists. It occasioned a dozen years of contention and bickering, and was largely responsible for the Revolutionary War.

**94. Westward Expansion Blocked.**—In chartering colonizing companies and in giving lands to proprietors, the English kings, even though they had little accurate information on the location of the Pacific Ocean, often granted territory from sea to sea. Such grants and gifts meant nothing to the colonies during the first century and a half after the settlement of Jamestown in 1607, for the tide-water region along the Atlantic Ocean was adequate to their needs and their numbers. Moreover, they were in no position to take possession of their grants beyond the mountains. That region was under the nominal control of the French and the Spanish. In time, however, conditions so changed as to make it possible for the colonies to extend their authority into the interior: the growth of population and wealth

and the success of the English in the French and Indian War in gaining possession of the Mississippi Valley turned the attention of the colonists to their western possessions. Some proposed the establishment of settlements in that region under the authority of existing colonies; plans were also outlined for forming independent colonies and states, one of which was to be located south of the Ohio River and to be named Vandalia. Such plans and proposals had the active support of many leading colonists, among whom was Benjamin Franklin.

Quite unexpectedly and to the great disappointment of the colonists, the king in 1763 issued an order in which he forbade the making of settlements west of the mountains. This order is known as the *proclamation of 1763*,<sup>1</sup> and the line across which the settlers were not allowed to go is known as the *Proclamation Line*. Thus

the whole Mississippi Valley east of the river was made into one great Indian reservation from which colonial authority was rigidly excluded; and the colonists, particularly the Virginians, were for the time being prevented from acquiring a new supply of land. This exclusion of settlers from the western country failed to prevent Indian discontent. North of the Ohio the natives under the leadership of the brilliant Pontiac openly resisted for a time the authority of the English government.



Benjamin Franklin  
Born 1706. Died 1790

<sup>1</sup> This proclamation forbade any governor "to grant warrant of survey, or pass patents for any lands beyond the heads or sources of any of the rivers which fall into the Atlantic Ocean from the west or northwest, or upon any lands whatever, which not having been ceded to, or purchased by us . . . are reserved to the said Indians, or any of them."



**95. New Commercial Restrictions.**— With the beginning of the reign of George III in 1760, the English government started on a new course in restricting colonial commerce. Hides and skins were added to the already large enumerated list; the European markets north of Cape Finisterre were closed to all non-enumerated articles; shipmasters were required to give bond to land colonial products only in those countries to which the English law allowed them to be exported. In a further attempt to give English merchants a profit on foreign goods imported into the colonies the law provided that a duty of 140 shillings a ton should be paid on all wines brought in from the Atlantic islands, while similar wines imported from Spain, Portugal, and other countries, except France, *through* England, should bear a tax of but 10 shillings a ton. The Molasses Act of 1733 had placed duties of 9d. per gallon upon rum or spirits, 6d. per gallon upon molasses or syrups, and 5s. per hundred weight upon sugar when these imports to the colonists came from foreign West India islands. If these duties had been enforced, the profitable trade between the northern colonies and the French West Indies would have been destroyed. In 1764 Parliament decided to modify the duties and vigorously to enforce certain new ones. The Sugar Act of that year prohibited the importation of rum or spirits from foreign islands, reduced the duty on molasses to 3d., and increased the duty on foreign sugars to 22s. per hundred weight. Since the earlier law had not been enforced, this act was really equivalent to the imposition of new duties, and was accordingly opposed by the colonists. Such was the development of the restrictions placed on colonial commerce during the years immediately preceding the Revolutionary War.

**96. Enforcement of Old Commercial Restrictions.**— Prior to about 1760, colonial commerce was characterized by the ease with which the colonists could evade English commercial laws, and by the eagerness with which they embraced the opportunity of such evasion. The navigation and other commercial acts greatly influenced the development of colonial commerce, yet a thorough description of this development must take account of the shipments and voyages made

in violation of the law. Smuggling was comparatively easy, for the vessels engaged in commerce, both coastwise and foreign, could be put in at river mouths and even anchored near the shore along the open coast. In either case, it was a simple matter to load and unload, and then to sail away to some other point where the operation could be repeated. Such a vessel might even carry its cargo into one of the larger colonial ports, for forged ship papers were easily obtained. Under these conditions the colonial shippers, although they complained of the English commercial policy, were fairly well satisfied. Their evasions of the law brought them large profits without lessening in the least their social and business standing among their associates.

The attempts of the English government to *enforce* the laws relating to colonial commerce created greater discontent and opposition than the laws themselves had created at the time of their passage. The changed policy of the mother country in this respect was the result of a combination of circumstances largely accidental. After the expulsion of France from North America, the English fleet that had taken a prominent part in the war was not needed in Europe. Consequently the government set it to work to enforce the commercial laws. Another circumstance seems to have been the desire of George III and his advisers to assert English authority in colonial affairs.

Whatever may have been the cause for this changed attitude of the home government toward colonial commerce, the colonists opposed both the new legislation and the enforcement of the old; their opposition was based on the common sense ground that the demands of the mother country were unjust and inconsistent. In this connection Professor Channing has well said: "Colonial navigation and trade was now in a strait-jacket."

**97. English Policy of Taxation.**—The close of the French and Indian War in 1763 saw not only a fleet in America but also an army. These the English government decided to retain; the one, as has been noted, to enforce the laws relating to commerce; the other "to overawe the Canadians and look after the Indians." With the decision made

to keep an army of 10,000 English soldiers in the colonies, the next consideration was to find the money for its support. England was in a poor way to pay the entire expense. The public debt had doubled during the war with France, and the English people were already grumbling about increased taxes. Under such circumstances the lawmakers turned to the colonies as a source of public income. They reasoned that the colonists, and not the English people, had the most to gain from the conquest of Canada and the Mississippi Valley; hence that they ought to bear a portion of the burden saddled on the mother country in conquering and retaining these regions. Having determined on a policy of taxing the colonists to support an army in America, the government next gave its attention to the methods by which the revenue could be raised.

The first step in shifting to the colonies the burden of maintaining an army in America was the Quartering Act. By this Act, which was passed in 1764, each colony was required to provide barracks for any troops that might be stationed within its territory; to supply the troops with salt, vinegar, and rum; and to assist in furnishing transportation if it became necessary to move the soldiers from one place to another within the colony. The law was unwise, and to make matters worse it was unjustly administered by General Gage and others. In some of the colonies, notably in New York, troops were kept in large numbers, while in others there were few or none. Consequently the burden fell on only a portion of the people, with the inevitable result that the burdened portion protested vigorously against the law.

**98. Denial of the Unlimited Authority of Parliament.**— Two other events occurred about this time, which irritated the colonists and showed the independent spirit of their leaders. In an attempt to put an end to smuggling in the colonies, British customs officials were empowered to secure writs of assistance from the colonial courts, which authorized them to search for smuggled goods. In Massachusetts, in 1761, James Otis, one of the most brilliant lawyers of the time, argued against the writs on the ground that they were contrary

to English law. He declared that "reason and the constitution" were both against the writ. Two years later, a young Virginia lawyer, Patrick Henry, denied in the Parsons' Case the unlimited authority of Parliament over the colonies, and in making this denial he merely acted as spokesman for thousands of colonists who dared not speak for themselves.

**99. The Stamp Act.**—Of all the attempts to tax the colonies, the Stamp Act, which was enacted by Parliament in 1765, is the best known. The Act, as the name suggests, provided that stamps, issued and sold by government officials, must be affixed to legal documents of every description; to university degrees and similar certificates; to appointments to office; to licenses for selling liquors; to articles of apprenticeship; to deeds, bonds, and leases; to packages containing playing cards or dice; and to pamphlets and newspapers.



British Tax Stamps

It is doubtful if the English lawmakers would have imposed the stamp tax on the colonists had they foreseen the storm of opposition that was raised against it. Their apparent lack of foresight in this matter, however, merits little criticism, for many of the leading colonists predicted that the people would pay it without undue protest.<sup>1</sup> Moreover, the use of stamps for raising revenue was common in the mother country and not entirely unknown in the colonies. Furthermore, the colonists had often submitted to having their commerce and industry burdened with taxes and restrictions. How then shall we account for the united opposition to the Stamp Act? Perhaps, the method of collecting the tax was distasteful. The colonists had

<sup>1</sup> Franklin is said even to have solicited the position of stamp collector for one of his friends.

hitherto contributed to the treasury of the mother country in such a roundabout way as scarcely to realize they were paying taxes. The stamp tax was direct, and its exactions were easily seen. Perhaps, the colonists were determined to separate from the mother country, and their opposition to the Stamp Act was a mere pretext. Or again, possibly the tax on legal documents and newspapers was unwise rather than unjust, for in either case the government met opposition on the part of the lawyers and editors who were in a position to mold public opinion against the measure. Whatever the reason for the opposition may have been, there remains the important fact that the colonists united in a bitter protest against the Stamp Act.

**100. Opposition to the Stamp Act.**—This took various forms. Newspapers unwilling to use stamps suspended issue until “these doleful times are over.” Neighbors of one editor compelled him to issue his paper without stamps. In several places the officials appointed to sell stamps were mobbed, and their stocks of stamps burned; several collectors were burned in effigy; in Boston there were riots. More serious opposition, because it was more deliberate, occurred in colonial legislatures. There the whole principle of taxing the colonies without their consent was subjected to severe criticism. Opposition to the Stamp Act culminated when, in 1765, delegates from nine colonies met in New York in what has come to be known as the Stamp-Act Congress. The delegates to this Congress drew up a Declaration of Rights in which they laid down the principle “that no taxes . . . can be constitutionally imposed on them [the colonies] except by their respective legislatures.”

Riots and resolves might have gone unheeded had not the colonists supported them by more efficient means. This they did by refusing to import goods from England as long as the Stamp Act was in force. Then English merchants and manufacturers became intensely interested in the controversy. They petitioned Parliament to repeal the Act, which was done in 1766, a little more than a year after its passage.

**101. The Townshend Acts.**— In repealing the Stamp Act, Parliament declared that the English government had the right to legislate





for the colonies. The next year (1767) the English lawmakers passed another measure for raising revenue in the colonies, known as the Townshend Acts, which placed a tax on paper, paints, glass, and tea imported into the colonies. Encouraged perhaps by their success in having the Stamp Act repealed, the colonists protested vigorously against the new tax. John Dickinson of Pennsylvania in a series of twelve papers entitled, "Letters from a Farmer in Pennsylvania," persuaded his fellow countrymen of the injustice of the law. Samuel Adams and James Otis in Massachusetts sent circular letters to other colonies urging the people to resist the collection of the tax. In several of the cities the merchants and others agreed not to import goods from England. As in the case of the Stamp Act, the opposition in the colonies brought about the repeal of the Townshend Acts in 1770. This time, however, Parliament retained a portion of the Act, the tax on tea.

**102. The First Continental Congress.**—After 1770 affairs moved swiftly. In 1770 occurred the Boston Massacre; in 1772, the burning of the *Gaspee* on the coast of Rhode Island; and in 1773, the Boston Tea Party. The English government met the opposition to the revenue laws by enacting the four "Intolerable Acts,"<sup>1</sup>—(1) Boston Port Bill, (2) Regulating Act, (3) Administration of Justice Act, and (4) Quartering Act. So far, colonial opposition had been largely local and disconnected. Leaders saw that united action was necessary to secure the desired results. Accordingly delegates from all the colonies

<sup>1</sup> The Boston Port Bill provided that no further commerce be carried on with Boston until that port made its submission, and that the custom house be removed to Salem. The second act altered the charter of Massachusetts thereby setting up the dangerous doctrine that charters coming from the crown could be changed by statute. The third act provided for the trial in England of officers and soldiers who might have made themselves amenable to the civil law of Massachusetts in resisting riots. The last act provided for the quartering of soldiers on the inhabitants.

A fifth act called the Quebec Act struck an indirect blow at colonial ideals and the land claims of Connecticut, Massachusetts, and Virginia, although its main purpose was to allay discontent in Canada and to provide for the government of the territory added to England by France in 1763. This act allowed the French to be judged under the principles of the old French civil law, guaranteed them the exercise of their religion, and annexed to Quebec all the territory between the Ohio and Mississippi rivers and the Great Lakes.



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except Georgia met in Philadelphia in the fall of 1774 in what has come to be known as the First Continental Congress. The delegates drew up a Declaration of Colonial Rights in which they declared, among other things, that the colonies were opposed to any "taxation internal or external, for raising a revenue on the subjects, in America, without their consent."



George Washington  
Born 1732. Died 1799

This question of consent involved the broader question of representation. The English notion of representation was that the members of Parliament represented not the particular localities from which they happened to be elected, but the British empire as a whole. The colonists, on the other hand, had developed the idea that the members of legislative bodies represented their respective districts. Hence, the colonists contended that they were not represented in the English

Parliament simply because none of the members of that body resided in America. This contention, of course, the English denied.

## II. COURSE OF THE WAR

103. **The First Year of the War.**—Although the colonists maintained a respectful attitude toward the English government, they were determined to stand firm for their rights, and, as events proved, to fight for them. On April 19, 1775, the first battles of the Revolution were fought at Lexington and Concord. As the news of the conflict spread, the whole country arose in arms. On June 17, the

English took Bunker Hill at great loss. Two days before (June 15), the Second Continental Congress had chosen George Washington of Virginia to be commander in chief of "all the Continental forces raised, or to be raised, for the defense of American liberty." Early in July, Washington appeared at Cambridge, where he took command of the army. He shut the enemy up in Boston, compelling General Howe to evacuate the town with his entire force in March, 1776. In the Carolinas, the patriots defeated the English and tories in several severe fights. Thus the first year of the war saw important American successes.

**104. The Declaration of Independence.**—During this year there prevailed very generally throughout the colonies the feeling that the colonists were merely resisting the encroachments of the English government. But the stubborn refusal of the king to receive petitions from his American subjects coupled with the activities of the English government in strengthening the military forces in the new world, drove the colonial leaders to the belief that the only solution of the difficulty was in separation from the mother country. This belief grew until on July 4, 1776, the Second Continental Congress formally agreed to the Declaration of Independence. In this declaration the signers published to the world the reasons for the separation. They recited in detail the efforts of the king to deny to his American subjects their rights as Englishmen. To their way of thinking both he and the English government had forfeited all rights to their allegiance.

**105. Military Course of the War.**—When General Howe evacuated Boston in the spring of 1776, he led his troops to Halifax. There he remained for several months. In September he landed his army in New York and prepared to give battle to the Americans under Washington, who, declining open battle, retreated up the Hudson River and then across New Jersey to Philadelphia. At Christmas time (1776) Washington captured a body of Hessian troops at Trenton, much to the joy of the disheartened patriots. During the next summer (1777) the Americans decisively defeated General Burgoyne at

W H E N in the Courts of human Justice, it becomes necessary for one People to deliver the Political Bonds which have connected them with another, and to assume among the Powers of the Earth, the separate and equal Station to which the Laws of Nature and of Nature's God entitle them, a devout Respect to the Opinion of Mankind requires that they should declare the causes which impel them to it, a Declaration.

[illegible]

He has combined with others to subject us to a Jurisdiction foreign to our Constitution, and unacknowledged by our Laws; giving his Adhesions to their Acts of pretended Legislation.

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Saratoga as he was attempting to lead an English army from Canada to New York City.

During the next four years (1777-1781), the fortunes of the Revolution were often at a low ebb: Indians devastated Wyoming Valley, Pennsylvania, and Cherry Valley, New York (1778); a conspiracy was formed to displace Washington as commander-in-chief of the American army; Benedict Arnold turned traitor to the American cause (1780); and General Gates was defeated in the south (1780). There were, however, successes that kept the revolutionary cause alive: George Rogers Clark captured the Illinois country for Virginia (1778-1779); General "Mad Anthony" Wayne led a successful attack against the British at Stony Point (1779); General Greene saved the southern army after its defeat under Gates in 1780, and successfully battled the English at Cowpens (1781); and the American fleet under John Paul Jones and others earned the respect of the English sea fighters. The last important military success came in 1781 when Washington captured General Cornwallis and his army at Yorktown. Two years later (1783) the English government acknowledged the independence of her former colonies, now the United States, and granted to the new government all the English territory in the Mississippi Valley.<sup>1</sup>



George Rogers Clark  
Born 1752. Died 1818

### III. FINANCES AND INDUSTRY DURING THE WAR

**106. Continental Currency.**—In financing the war the Second Continental Congress resorted to three methods of raising funds:

<sup>1</sup> This gave the new nation possession of all the territory south of the St. Lawrence and east of the Mississippi except the Spanish possession of Florida. The United States in 1783 contained 892,135 square miles or an area over three times as large as the present state of Texas.

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(1) issuing bills of credit, popularly known as continental currency; (2) borrowing, both in America and in Europe; and (3) requesting the individual states for contributions. Of these three methods the first brought the quickest results, and it was the easiest of application. Thus in 1775, Congress issued a small amount of bills, which were readily received by the people in the regular course of trade. Encouraged by this success Congress authorized great quantities to be

printed, and to be put in circulation by exchanging them for supplies. Soon, however, the value of the currency depreciated, slightly at first and then rapidly until it was almost worthless; hence the expression, "not worth a continental." Washington once remarked that it required a



To aid in carrying on the Revolutionary War the Second Continental Congress issued more than two hundred million dollars of Continental Currency. Before the end of the war it was worthless.

money to purchase a wagon load of supplies for his army. In all, Congress issued almost two hundred and fifty million dollars in continental currency. Its depreciation in value caused a heavy aggregate loss to the people, yet the loss to individuals was perhaps of no serious consequence, for we may suppose that each holder of bills passed them on to some one else soon after they came into his hands. This depreciation did, however, cause a serious loss to industry by making money values uncertain and by inflating unduly the prices of commodities measured in continental currency.

After continental currency began to depreciate in 1777, its value

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measured in specie varied from month to month. The extent of this variation may be shown as follows:—

Value of 1000 continental dollars in specie

1777	. . . . .	\$1000	1780	. . . . .	\$35
1778	. . . . .	680	1781	. . . . .	24
1779	. . . . .	130	1782	. . . . .	1 to 2

**107. Loans and Requisitions.**—Further funds for prosecuting the war were raised by loans and requisitions. Necessarily most of the loans were placed in Europe, for the amount of specie in the colonies was small. John Adams and other American agents in Holland and France often found it difficult to borrow money to pay the drafts drawn on them by Congress; yet by offering high rates of interest, and by persuading foreign capitalists that the Americans would gain their independence, these agents succeeded in raising large sums for the war. Furthermore, the American victory over Burgoyne in 1777 influenced the French government to make an alliance with the revolting colonies. From such sources as these Congress borrowed millions of dollars, part of which was paid in money, part in supplies for the army.<sup>1</sup>

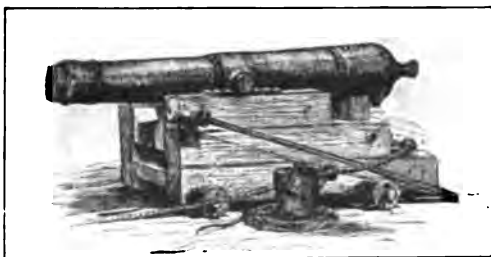
In the matter of requisitions, Congress was but fairly successful. That body had no authority to tax the states or the people. It could merely request the different legislatures to pay into the general treasury their proportionate share of whatever sum was needed. Some of the states responded readily to such requests, providing both supplies and money; others gave them little attention.

Fortunately for the Revolutionary cause, Robert Morris, a wealthy Philadelphia merchant, gave a great deal of time and attention to the finances of the country.

<sup>1</sup> Beaumarchais, a playwright and adventurer, became an unofficial agent of France, and through his help arms and supplies from the royal arsenals reached the Americans. In 1776 a million francs were advanced, in 1777 two million, and in 1781 six million. These amounted to gifts. In addition from 1777 to 1783 France loaned the Americans \$6,352,500. France also aided us with munitions, men, and ships. Indeed it is doubtful if our independence could have been won without French assistance. In spite of our debt of gratitude to Beaumarchais, however, his claims were neglected for several decades.

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**108. The War and the People.**— The heart-rending picture of the suffering of the soldiers at Valley Forge has generally left the impression that the war impoverished the American people and destroyed their industry. Such was not the case. The great bulk of the population never came into direct contact with the war. New England saw little of the enemy after 1776; the Carolinas were not invaded until 1780; the middle colonies, where both armies were the most active, suffered greatest by having their supplies taken occasionally by the Americans. In fact the presence of the enemy's army brought prosperity, for the English soldiers eagerly exchanged gold for American products. Farmers planted, cultivated, and harvested



A "Long Tom" of Revolutionary Times

their crops without molestation; shopkeepers and mechanics carried on their accustomed businesses; even the American merchantmen encountered fewer difficulties than might have been expected. Moreover the lighter sides

of life were not entirely neglected. English officers and men found ample opportunities to entertain and to be entertained. The same was true of the American officers quartered in the larger towns. Arnold is said to have owed his downfall to lavish expenditures while stationed at Philadelphia the winter before he attempted to betray West Point into the hands of the enemy. The war did not necessarily bring prosperity; certainly it brought poverty and suffering to many. Yet the extravagant expenditures of the time indicates the presence of prosperity in some quarters in spite of the war.

**109. The War and the Army.** Under such conditions how shall we account for the straits to which Washington was often put to get food and clothing for his half-starved and half-clothed army? The

government had little money and little credit. The commissary department of the army was poorly organized and poorly equipped. Even when it had food and clothing in abundance, it some times allowed the army to suffer simply because means of transportation were lacking.<sup>1</sup> Too often the people themselves regarded their private interests as su-



Philadelphia in Revolutionary Times

<sup>1</sup> Washington's troubles over money matters began early and continued throughout the war. On September 21, 1775, he wrote to the President of Congress:

"It gives me great pain to be obliged to solicit the attention of the honorable Congress to the state of this army, in terms which imply the slightest apprehension of being neglected. But my situation is inexpressibly distressing, to see winter fast approaching upon a naked army, the time of their service within a few weeks of expiring, and no provision yet made for such important events. Added to these, the military chest is totally exhausted; the paymaster has not a single dollar in hand; the commissary-general assures me he has strained his credit, for the subsistence of the army, to the utmost. The quartermaster-general is in precisely the same situation; and the greater part of the troops are in a state not far from mutiny, upon the deduction from their stated allowance. I know not to whom I am to impute this failure; but I am of opinion, if the evil is not immediately remedied, and more punctuality observed in future the army must absolutely break up." *The Writings of George Washington* (W. C. Ford, editor), vol. III, pp. 146, 147.



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terior to those of the government. While the army starved at Valley Forge, the neighboring farmers hauled their supplies of food to Philadelphia, where they disposed of them to the English soldiers at a good profit. Of course, there were many patriots who sacrificed their property and their lives for the revolutionary cause; yet it would be a mistake to believe that the colonists stood as one man ready to pay any price for freedom. Some have even said that a majority of the people manifested indifference in the matter, and that the war was waged and the victory won by a small minority. Certainly many colonists (loyalists) opposed the war. And for so doing thousands of them were persecuted and even exiled, many going to Canada.



Pewter money of the Colonies

**110. The War and Industry.**— There remains to be examined the trend of industrial development during the war. The demands of the army reshaped old industries and gave life to new ones. The making of cannon and camp kettles was begun in Pennsylvania; stockings were made in Philadelphia, and sail cloth in Boston. The government gave contracts for cloth and clothing, and leather equipments. As a result, the weaving and tanning industries in the home were renewed with greater vigor, and some attempts were made toward producing textiles by machinery. Encouragement was given to the production of salt and gun powder, both indispensable to the army. On the whole, industry was helped by the war and not hindered.

Even American commerce thrived in spite of the efforts of the

enemy to destroy it. After the first year or two of the war, the American shipmasters adapted themselves to the new conditions. They made large profits and took great risks. Sometimes a single successful voyage would compensate for the ship's capture on the next. They carried American food stuffs and tobacco to Europe and the West Indies, exchanging them for manufactured goods which the English government formerly excluded from the American market. Millions of pounds of tobacco found their way into English ports, where English officials pretended to believe that it had come from some English plantation. From time to time the English fleets were shifted in an effort to break up the American commerce, but just as often the Americans shifted their loading and unloading places. Thus when the enemy blockaded the Virginia coast the planters of that region sent their tobacco overland to North Carolina to be loaded for the European market. In spite of the war, American commerce flourished because the English were either unwilling or unable to destroy it.

#### ORAL AND WRITTEN EXERCISES

1. Locate Lexington, Concord, Cambridge, Bunker Hill, Halifax, Trenton, Saratoga, West Point, Cowpens, Kaskaskia, Valley Forge, Yorktown.
2. Explain the changed attitude of the English government toward the enforcement of commercial regulations.
3. Why were new taxes imposed on the colonies?
4. Why did the colonists wait more than a year after the Battle of Lexington before declaring themselves free from England?
5. The victory at Saratoga is regarded by many as the most important American success. Why?
6. Explain the reasons for the suffering of the American troops at Valley Forge.
7. Who were the Hessians? Loyalists?
8. Who was Andre? Hale? DeKalb? LaFayette?
9. Suggested topics for oral or written report:
  - The Stamp Act.
  - The Townshend Acts.
  - Colonial Complaints against Great Britain as Set Forth in the Declaration of Independence.
  - Financing the Revolutionary War.
  - Effects of the War on Industry.

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### 10. Important dates:

1765 — Stamp Act.

1767 — Townshend Acts.

1774 — First Continental Congress.

1775 — Battle of Lexington; First Session of Second Continental Congress.

1776 — Declaration of Independence.

1777 — Battle of Saratoga.

1781 — Battle of Yorktown.

1783 — Treaty of Paris.

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CHAPTER VIII  
CONFEDERATION AND THE CONSTITUTION  
1783-1789

**I. INDUSTRIAL CONDITIONS AND PROGRESS**

**111. Conditions after the Peace.**—The Treaty of Paris in 1783 formally closed the war between Great Britain and her revolting colonies, and placed in the hands of the Americans the responsibility for their future political growth. It also marked a change in society and industry. Hitherto, the people had been guided in their social and industrial development by English tradition and influence and by English law. Now they faced the necessity of adjusting themselves to new conditions. England could no longer, by formal legal enactments, direct the trend of their manufactures and commerce, or dictate to them in matters of religion or government.

Under these new conditions of industrial freedom, trade and commerce had as free a hand as an independent nation could give it; interstate and local trade looked to no legal obstacles not raised by the states themselves; industrial progress freed of foreign restrictions depended alone on its own merits. In short, the people of the new government had in their own hands the power to develop their agriculture, manufactures, and internal trade without consulting outsiders, while in foreign commerce their place among independent nations was, legally at least, one of equality. To use the words of John Fiske, the United States now entered on the critical period of its history.

**112. Financial Difficulties of the Government.**—The victory of the American arms at Yorktown in 1781 failed to improve the financial conditions of the government. Expenses incurred in maintaining the army continued for two years longer; creditors of the country clamored to have their debts adjusted; even many of the soldiers, officers as well as men, threatened the members of Congress with bodily injury

unless their long overdue wages were promptly paid. To make matters worse, France and Holland curtailed their financial support, believing the new government amply able to provide its own funds.

The most critical situation arising from the financial difficulties of the government was when several bodies of soldiers actually threatened to use force in collecting their claims against the government. Near New York the officers met to discuss the situation. They were very much out of humor at the prospect of being mustered out without their pay. Fortunately Washington attended the meeting prepared to read a masterly address to the officers, in which he appealed to their good sense and patriotism. Greater than the address was the speaker. His example was more influential than any words he could utter. He had more cause for complaint than any of his officers, for he had suffered most at the hands of a jealous Congress and an indifferent people. As he prepared to read he drew his "spectacles . . . from his waistcoat pocket, and then addressed the officers in the following manner: 'Gentlemen, you will permit me to put on my spectacles, for I have not only grown gray, but almost blind, in the service of my country.' " Such a sentiment touched the hearts of the officers, who voted, after Washington had retired from the meeting, to remain loyal to the new government.

**113. Hard Times and Prosperity.**—The people as well as the treasury appear oftentimes to have been in great need of ready money. The coming of peace in 1783 found all forms of industry doing business on a war basis. Prices were high. People were busy producing for both armies and for the European markets. Agriculture, manufactures, and commerce were in a flourishing condition. Peace and independence, however, failed to secure to the Americans a continuation of good times. The British flooded the markets with manufactured goods; the British government excluded American vessels from some of their best markets; while Spain and France withdrew special privileges which they had granted to American commerce during the war; hence there was a fall in prices of American products and a depression in business.

Some of the richest men in the colonies often found themselves embarrassed by lack of ready money. Washington, for instance, wrote to a friend soon after the close of the war asking for the repayment of a loan in order that he might be able to save a part of his estate about to be sold for taxes. Another Virginian, a delegate to the Constitutional Convention in 1787, was compelled to draw his traveling expenses from the state treasury before he could make the trip. Such instances could be multiplied almost indefinitely.

Poorer people found it well nigh impossible to meet their financial obligations. In fact, Massachusetts experienced, in 1786-7, an uprising known as Shays's Rebellion, which was largely the result of discontent due to the scarcity of money.

From the foregoing it must not be thought that the people were destitute. Food, clothing, and shelter were perhaps as plentiful as they had been before the war. They merely lacked ready money, and found it difficult to adjust themselves to new industrial conditions. The great fertility of the land and the energy of the people would not permit a business depression of long duration.

In fact, in some sections there were ample evidences, not only of plenty, but also of extravagances. In Philadelphia, for example, the shops and stores carried large stocks of goods many of which were fine and costly. One merchant in that city advertised for sale more than a hundred kinds of fine cloth. The liquor shops, likewise, carried large and assorted stocks, supplying their customers with every kind of drink known in the European markets.

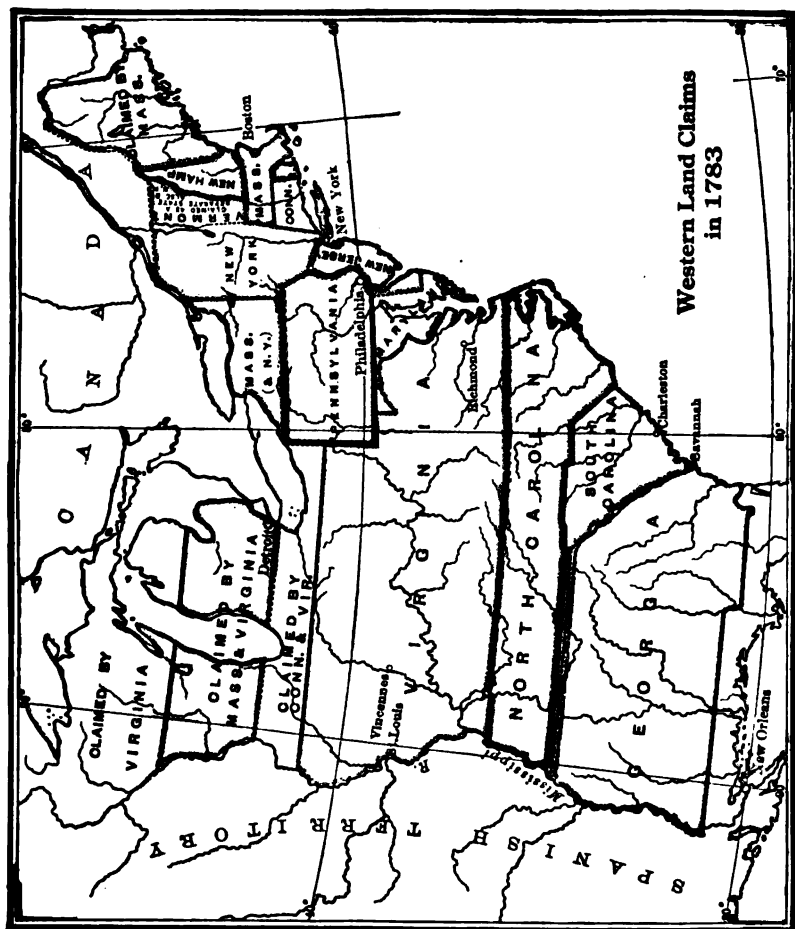
**114. Readjustment of Commerce.**—As has already been intimated, American industry was compelled to adjust itself to new conditions. Particularly is this statement true of commerce. As long as the Americans were colonists or as long as they warred against Great Britain, they found encouragement for their commerce in Holland, France, and Spain. Independence, however, put them on a different footing in relation to these nations, for independent powers are usually jealous of each other's commercial activities. More important still, Great Britain had no further interest in stimulating America's

commerce and trade with other countries. Thus the American shippers and shipmasters found themselves hampered on the sea. The British government restricted the profitable trade they had formerly carried on with the British West Indies and prohibited the importation of American whale oil into Great Britain. France likewise showed an unfriendly attitude by restricting the trade which the Americans had formerly carried on with the French West Indies. Fortunately for the commerce and industry of the late colonies the Danish and Dutch West Indian ports remained open to them. One of the most important developments of commerce during this period was toward the Orient. In 1785, the *Empress of China* arrived at Boston with a cargo from Canton. Two years later the *Grand Turk* reached Salem from the same port.

**115. Commercial Laws and Tariffs.**— Even before the colonies had gained their independence, the Second Continental Congress entered into a commercial treaty with France on a basis of the "most perfect equality and reciprocity." A little later similar relations were established with the Netherlands (1782), Sweden (1783), and Prussia (1785). The new government, however, found it impossible to persuade England to enter into any commercial agreement beneficial to the United States.

The states themselves, therefore, undertook by retaliatory laws to force unfriendly nations to grant freedom of trade. Pennsylvania, for example, imposed a higher tariff on wines from Portugal than from other countries, in order to compel Portugal to open her ports to American products. Such laws usually failed to gain the end desired, for a few of the states maintained free ports in which such goods could be landed and then smuggled across the line into states which had set up a tariff against them. This practice spread until it became a source of bitter controversy among the states.<sup>1</sup>

<sup>1</sup> The controversy between New York and New Jersey is worthy of passing notice. New York had increased the duties on foreign goods on April 11, 1787, and had extended the entrance and clearance fees to all ships bound to or from Connecticut and New Jersey. The former took no official notice of the law, but the latter tried to retaliate by levying a tax of \$1800 a year on the New York light-house purchase at Sandy Hook.







**116. Manufactures.**— After the close of the War the Americans developed their manufactures slowly and under great difficulty. The same natural obstacles that hindered colonial manufactures interfered with their development. Capital was scarce, wages were high, and many of the raw materials were lacking. In spite of these obstacles we find here and there by the end of the period manufacturing industries of some importance: woolen, cotton, and linen cloth, hats, thread, and lace were produced in Connecticut; shoes, tools, and nails, in Rhode Island; iron and cloth in Pennsylvania; wool cards, cloth, and iron products in Massachusetts. In some of the states bounties were paid on manufactured goods. South of Maryland were few manufactures aside from those produced in the home. Yet in that region some localities produced almost all the articles needed in the way of shoes, stockings, and cloth.

**117. The Money of the Confederation.**— The monetary history of the period was characterized (1) by the use of foreign coins, and (2) by the issue of paper money. Out of necessity the Americans used the coins of foreign nations. Among these coins were the English and French Crowns, the English guinea, and the Spanish dollar. In trading with Great Britain the standard was the pound sterling. Transactions among the states and with the West Indies were usually in Spanish dollars known as "pieces of eight." Various schemes were drawn up to standardize the coinage. In 1785 and 1786 Congress provided for a half-cent and other coins to "increase in a decimal ratio."



Obverse and Reverse of British "Rose Guinea" (gold, actual size)

The agitation for issuing paper money was brought on (1) by well-intentioned persons who believed that the hard times were the result of the scarcity of a medium of exchange, and (2) by debtors who desired to discharge their debts in cheap money. The agitation

was felt in every state, but in some of them the majority refused again to enter on a course of "printing press" money, even though a radical minority clamored for issuing it. Such was the decision in



The Spanish "Pillar Dollar," Obverse and Reverse  
(Silver, actual size)

Massachusetts, Connecticut, New Hampshire, Virginia, Delaware, and Maryland. Rhode Island, on the other hand, issued large quantities of paper money with disastrous results. Moreover the law made it a legal tender,—that is, a creditor was bound to accept it in payment of debt. To make matters worse, the legislature provided a fine for any person who declined to accept it in payment for



The Spanish "Piece of Eight," Obverse and Reverse. Equal in value to Spanish "Pillar Dollar." Often cut into eight pieces, for use where smaller coins were needed

services or goods. The result was that many of the merchants closed their doors, preferring their goods to depreciated paper money.<sup>1</sup>

**118. The Public Lands.**—The great area of unsettled land west of the mountains, which later proved to be a source of wealth and strength to the government, promised for a time to prevent union among the states. All but six of the states laid claim to portions of the western country. Several of these claims were for the same territory, hence there arose bitter feelings among the claimants. Congress wisely refused to participate in the controversy. Instead, that body warned the states of the danger and advised them to surrender their claims to the Confederation. After considerable agitation and dispute the good sense of the people prevailed with the result that the states one by one gave up their land claims to the central government.

The western country was naturally divided into two parts by the Ohio River. The territory north of that stream was claimed by New York, Connecticut, Massachusetts, and Virginia; south of it, by Virginia, the Carolinas, and Georgia. The claims of the northern states were adjusted first. In 1781 New York ceded all her territory west of Pennsylvania; three years later (1784) Virginia withdrew her pretensions to jurisdiction in that region; the next year Massachusetts surrendered all claims west of New York; Connecticut in 1786 made the cession complete by giving up her claims west of New York, reserving, however, the "Western Reserve," a narrow strip of territory along Lake Erie in what is now the state of Ohio.

South of the Ohio the states gave up their claims to the western country more reluctantly. In 1787 South Carolina surrendered all claims to a narrow strip of land lying between Georgia and the western part of North Carolina; North Carolina, in 1790, gave up what later became the state of Tennessee; Virginia retained the District of

<sup>1</sup> One of the interesting cases in connection with the issue of paper money was that of *Trevett vs. Weeden*. John Weeden, a Newport butcher, had refused to accept John Trevett's paper money. The Rhode Island court, which tried the case, declared that the "information was not cognizable before them." In reality, it rejected the statute as void on the ground that it was repugnant to the constitutional authority of the legislature.

Kentucky until 1792; and not until 1802 did Georgia accept her present boundaries.

Closely associated with the cessions of the western lands were the methods of surveying and sale, for Congress had in mind from the beginning to sell the lands and apply the proceeds to the payment of the public debt. At the suggestion of Thomas Jefferson the public lands were divided into townships six miles square, each township in turn was divided into thirty-six equal parts, called *sections*.

With the western lands in the hands of the government Congress set about to dispose of them in order to raise revenue for the public treasury. It set a price of one dollar an acre and placed no limit on the amount sold to individuals or associations. In competition with the government many of the states offered unimproved land at even lower prices and on better terms. In spite of this competition the central government disposed of many million acres to individuals and land companies. To one company it sold a million acres in Ohio; to another a quarter of a million acres including the site of Cincinnati.<sup>1</sup> In 1788 the state of Pennsylvania bought a triangular piece of land which now forms the northwestern corner of that state.

**119. The Northwest Territory.**—As soon as the states had ceded their claims north of the Ohio River to the central government, Congress provided for the establishment of a government there. This region, which included the present states of Ohio, Indiana, Illinois, Michigan, Wisconsin, and the eastern part of Minnesota, was known as the Northwest Territory; and the organic law for its government, as the Ordinance of 1787. This ordinance was characterized by several important provisions: (1) It provided for a governor, judges, and a legislative body. (2) Six "articles of compact" made provision for religious freedom, for personal liberty, for public schools, for the authority of the central government over the territory, for the erection of from three to five states in that region, and for barring slavery from it forever. A little later the territorial government was established with General Arthur St. Clair as governor.

<sup>1</sup> The first settlement in Ohio was made at Marietta in July of 1788.

**120. Western Settlements.**—While the states deliberated whether or not they would give up their claims to the western country hardy pioneers had crossed the mountains to join others who had preceded them during the Revolutionary War and even before. There they built log cabins and log forts, cleared small patches of land, hunted game for food, and fought the Indians. In Kentucky especially did the pioneer develop into a more skilled woodsman than the Indian himself. For that reason the red men held these "long knives" in fearful regard.<sup>1</sup> In 1784 the Kentuckians proposed to establish a new state, but were persuaded to remain temporarily under the jurisdiction of Virginia. Further south in the same year the settlers actually voted to form the state of Franklin.



Daniel Boone  
Born 1735. Died 1820

Like the Kentuckians they were persuaded to abandon the enterprise. The activities of these pioneers in demanding self-government influenced the older states to cede their claims to the Confederation.

**121. Navigation of the Mississippi River.**—With the spread of settlement to the west, the navigation of the Mississippi River became of supreme importance. The Spanish held possession of both banks at its mouth. There they imposed restrictions on American com-

<sup>1</sup> One of the most noted of these frontiersmen was Daniel Boone, a famous hunter, explorer, and Indian fighter. In 1769, he and five others explored the forests of Kentucky, where he was captured by the Indians. He managed to escape, however, and returned to North Carolina in 1771. Boone was instrumental in getting others to go to Kentucky, and in 1775 they had built a fort on the Kentucky River on the present site of Boonesboro.

merce, even prohibiting it at times. The western settlers hated such restrictions and prohibitions, and because Congress was unable for a time to have them removed they threatened to form a new government of their own. Washington and others saw the danger and exerted themselves to avert it. The government, however, was too weak to force Spain to open the river to navigation and unwilling to buy the right. Thus the matter rested when the Confederation gave way to the federal government in 1789.<sup>1</sup>

## II. THE CONSTITUTION

**122. Weaknesses of the Articles of Confederation.**—When Maryland on March 1, 1781, endorsed the Articles of Confederation, the new government went into effect. Unlike the Second Continental Congress, which had virtually directed national affairs since 1775, the new Congress of the Confederation had its duties and powers outlined in black and white. It had power to declare war and make peace; to build and equip a navy and to appoint its officers; to arrange diplomatic matters with foreign countries; to borrow money and issue bills of credit; to make requisitions on the states for men and money; to establish and regulate post-offices and the mint. No provision was made for an executive. Congress acted in that capacity while in session, delegating its powers during recesses to individual members. Although the powers granted to Congress as the representative of the new nation were ample in some directions, they were inadequate in others. It required the vote of nine of the thirteen states to enact laws dealing with treaties of alliance, with the coinage of money, with appropriations, and with other important measures. The Articles further limited Congress by not giving that body power to raise money by taxation and to regulate commerce. The Confederation was a forward step in national organization, but it was scarcely suited to the times, and to the needs of thirteen more or less independent states.

<sup>1</sup> In 1795 a treaty negotiated by Pinckney secured the free and unlimited navigation of the Mississippi and finally led to the purchase of Louisiana.

**123. Demands for a Stronger Central Government.**—The weakness of the central government of the Confederation was apparent to careful observers. Washington saw the need of radical changes whereby the states would be compelled to work in harmony for the common good. He saw also the advisability of care in urging his views on the people, for many of them regarded "King Congress" very much as they had regarded King George. To them the tyranny of one was as intolerable as the tyranny of the other. Younger leaders were less patient. Noah Webster wrote: "There must be a supreme power at the head of the Union, vested with authority to make laws that respect the states in general and compel obedience to those laws. . . . So long as any individual state has power to defeat the measures of the other twelve, our pretended union is but a name and our Constitution a cobweb." Madison declared: "An individual independence of the States is utterly irreconcilable with the idea of an aggregate sovereignty." Such were the opinions of men who saw clearly that the Confederation was a mere make-shift as a central government and bound to fail.

**124. Call for a Constitutional Convention.**—The first definite steps toward a new understanding were taken by the legislatures of Maryland and Virginia when they appointed delegates to confer on the navigation of the Potomac River. At the invitation of Washington the delegates repaired in 1785 to the "General's seat" at Mt. Vernon, where they discussed the matters for which they had been appointed. It is likely that they also deliberated on the larger question of a stronger central government, and that Washington took part in the deliberations. However that may be, the result of these conferences was a call for a convention to be opened at Annapolis in September, 1786. Only five states sent delegates to this convention; consequently no important action could be taken. The delegates did, however, adopt a report written by Hamilton, in which a call was made for another convention to be held in Philadelphia, the next year (1787), "to take into consideration the situation of the United States, to devise such further provisions as shall appear to



them necessary to render the constitution of the federal government adequate to the exigencies of the Union."

**125. The Constitutional Convention.**—Pursuant to the call of the Annapolis Convention, delegates met in Philadelphia in May, 1787, to revise the Articles of Confederation. Among the leaders were Washington, the venerable Franklin, James Madison, and Alexander Hamilton. From the first of June to the middle of September the delegates debated various plans of union.<sup>1</sup> They effected one compromise after another in order to reconcile conflicting interests, and the result of their labors was not a revision of the Articles of Confederation but a new national constitution.

Naturally the Constitution was largely the product of the experience of the members of the Convention. All of them were familiar with different forms of government, and each brought to the task of framing the Constitution experience both in making and in administering laws. A generation before (1754), Franklin had taken a prominent part in the Albany Congress, and to that body he had submitted a plan of union not unlike that embodied in the Constitution. Moreover, the members of the convention were familiar with various schemes attempted in New England during the seventeenth century for unifying the interests of the scattered settlements in that region.

In framing the Constitution the delegates made three important compromises. (1) Provisions were made for two houses of Congress, in one of which (the senate) the smaller states would have equal representation with the larger states, in the other (the house) the representatives would be apportioned among the states according to population. (2) A second compromise provided that in assessing direct taxes and in apportioning representation among the states five slaves should be counted as three free persons. (3) Provision was also made that Congress should have no power to prohibit the slave trade before 1808.

<sup>1</sup> The two main plans were the Patterson, or New Jersey, plan which provided for the amending of the Articles of Confederation and the Randolph, or Virginia, plan which provided for the formation of a national government.

In sharp contrast to the Articles of Confederation, the new constitution provided (1) that there should be three independent departments of government — legislative, executive, and judicial; (2) that the federal government should have power to tax, to issue, borrow, and expend money; to regulate foreign and inland commerce, weights



The Inauguration of Washington in Federal Hall, New York, April 30, 1789

and measures, copyrights and patents; to declare war and make peace. It must not be thought, however, that the Constitution stripped the states of all power and authority. On the contrary it left them all powers not directly delegated to the federal government or necessary to carry into effect the provisions of the Constitution.

After the Constitution had been made by the Convention it was submitted to the states for their ratification. Then it was bitterly assailed. Some found fault with one provision, some with another. Many professed to believe that the instrument gave too much power to the central government. Its adoption, they said, would rob the

states of their independence and place them in a position as obnoxious as the one they had occupied when they were colonies under English rule.<sup>1</sup> Such objections may appear ridiculous to us today, yet to many of the people at that time they were supremely important. Fortunately the better judgment of men like Washington, Madison, and Hamilton prevailed.<sup>2</sup> One after another the states ratified the Constitution just as it came from the hands of the delegates, until nine ratifications had been obtained, the number necessary to make it binding on all the states.<sup>3</sup>

RATIFICATION OF THE CONSTITUTION  
(First Nine States)

State	Date ratified	Vote
Delaware . . . . .	December 7, 1787 . . . . .	Unanimous
Pennsylvania . . . . .	December 12, 1787 . . . . .	46 to 23
New Jersey . . . . .	December 18, 1787 . . . . .	Unanimous
Georgia . . . . .	January 2, 1788 . . . . .	Unanimous
Connecticut . . . . .	January 9, 1788 . . . . .	128 to 40
Massachusetts . . . . .	February 6, 1788 . . . . .	187 to 168
Maryland . . . . .	April 28, 1788 . . . . .	63 to 11
South Carolina . . . . .	May 23, 1788 . . . . .	149 to 73
New Hampshire . . . . .	June 21, 1788 . . . . .	57 to 46

Later ratifications were Virginia (June 25, 1788), New York (July 26, 1788), North Carolina (November 21, 1789), and Rhode Island (May 29, 1790).

The Constitution adopted, the next step was to put the new government into operation. The people elected Washington president, John Adams vice-president, and chose members of both houses. With

<sup>1</sup> One of the most popular men in the country, Patrick Henry, was a determined opponent of the Constitution.

<sup>2</sup> Both foe and friend made extensive use of pamphlet literature. Of the friendly pamphlets the best and most influential collection was the *Federalist*, written by Hamilton, Madison, and John Jay. With calm spirit, clear style, and convincing logic these men tried to show that the Constitution would be beneficial to the people and to the states.

<sup>3</sup> Since its adoption the Constitution has been somewhat changed by the addition of seventeen amendments, as follows: Amendments I-X, Bill of Rights; Amendment XI, powers of the judiciary; Amendment XII, election of president and vice-president; Amendment XIII, abolition of slavery; Amendment XIV, citizenship defined; Amendment XV, the franchise; Amendment XVI, the income tax; Amendment XVII, election of United States senators.

Washington's inauguration on April 30, 1789, the government of the United States of America, as we know it, was begun.

### ORAL AND WRITTEN EXERCISES

1. Locate on map the Northwest Territory, the claims of Virginia to western lands, the "Western Reserve."

2. Compare the area of the "Thirteen Original States" with the area west of the Alleghenies.

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3. Why did the Americans find it difficult to readjust themselves industrially at the end of the war?

4. What was the basis of the Virginia claim to authority north of the Ohio River?

5. What were the weaknesses of the Articles of Confederation?

6. How did the states regard each other in their commercial regulations?

7. Why did many of the people oppose the Constitution?

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8. Suggested topics for oral or written report:

Financial Difficulties of the New Government.

Relation of the Public Lands to Union.

The Ordinance of 1787.

The Compromises of the Constitution.

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9. Important dates:

1781 — Beginning of the Confederation.

1787 — Constitutional Convention; Ordinance for Government of the Northwest Territory.

1789 — Beginning of the National Government.

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**Troubles under the Articles of Confederation.**

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**The Constitutional Convention, and its Work.**

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**PART II**  
**INDUSTRIAL AND POLITICAL ADJUSTMENT**  
1789-1865

**CHAPTER IX**  
**COMMERCIAL INDEPENDENCE AND THE AMERICAN**  
**INDUSTRIAL REVOLUTION**  
1789-1815

**I. STRUGGLE FOR COMMERCIAL EQUALITY**

126. *Difficulties of Neutrality.*—Soon after Washington's inauguration in 1789, war broke out between England and France, and the conflict spread until all western Europe was involved. In the United States each side had its friends who appealed to the government to extend aid to this or to that belligerent. Washington wisely refused to heed the appeals of either faction. Instead he steered a middle course, believing that the United States ought not to meddle in the affairs of the old world.<sup>1</sup> Accordingly in 1793 the President issued a proclamation of neutrality in which he declared that the United States would "pursue a conduct friendly and impartial towards the belligerent powers."

President Washington succeeded in keeping the country neutral but not without great difficulty. At the very moment when the Neutrality Proclamation was issued, "citizen" Genêt, acting in behalf of his government (France), was in the United States enlisting volunteers for French service. Genêt's disregard for the proclamation and

<sup>1</sup> Hamilton believed that the treaties with France were abrogated by the change of government in that country; Jefferson declared that the treaties were still binding. Both men, however, advised Washington to issue a proclamation announcing that the United States would not take part on either side. Consequently the Neutrality Proclamation, April 22, 1793, declared that the United States stood outside of the European system and could therefore continue friendly relations with both warring nations.

his hostile attitude toward the president made him so unpopular in this country that his government recalled him in December, 1793. Three years later, the French government expressed its dissatisfaction with Jay's Treaty (1794), which had granted privileges to Great Britain denied to France, by seizing American vessels in French ports and on the high seas, and by refusing to receive the new American minister, Charles C. Pinckney. Later, three agents, known as "X., Y., and Z.," representing the French Directory, which was then in power, proposed to Pinckney and his two associates in the matter, Judge John Marshall and Elbridge Gerry, that the United States pay the Directory a quarter of a million dollars as a price for establishing friendly relations between the two countries. This proposition the American commissioners received with contempt, and for a time it appeared as if war would break out between the two countries. Just then Napoleon came to power in France, and having no desire to quarrel with the United States, he assumed a friendly attitude toward this country. In spite of a strong opposition at home, President Adams received the friendly overtures of Napoleon and as a result war was averted.

**127. Commerce and Neutrality.**—This position of neutrality brought a large reward to the commerce and industry of the United States. England needed great quantities of American food stuffs, and France depended on neutral vessels to carry on her trade with her islands in the West Indies. The result was an increased prosperity in American agriculture, commerce, and ship-building. Thus the tonnage of American vessels engaged in foreign trade increased from 128,893 in 1789 to 660,514 in 1804. During the same period, the value of exports increased from \$20,000,000 to \$77,000,000; of imports, from \$23,000,000 to \$80,000,000. Naturally the exports were largely agricultural products. Moreover, more than nine-tenths of the trade in both directions was carried in American bottoms, an indication of the state of the ship-building industry.

The rewards arising from neutral trade were not obtained, however, without opposition on the part of England. In 1783, as we have

seen, she had closed her own West India islands to American commerce. When the war with France opened, the English government enforced the "Rule of War of 1756," which provided that in time of war no neutral could carry on trade prohibited to her in time of peace. The enforcement of this rule was intended to destroy the American carrying trade between France and the French West Indies, for this trade had formerly been forbidden by France. Many American ship-captains risked capture by engaging in the prohibited trade; others first landed their cargoes in the United States and then reshipped them, a procedure not contrary to the "Rule." In addition, both belligerents declared food-stuffs to be contrabands of war, thus making them liable to capture and confiscation when consigned to an enemy's port. Even more irritating than restrictions and enforcements was the British practice of impressing seamen found on American vessels who were suspected of being deserters from the royal navy. The United States resented this



Thomas Jefferson  
Born 1743. Died 1826

practice, not only because it was contrary to American ideas of citizenship and naturalization, but also because it too often applied to innocent British subjects, and even to native born Americans.

**128. Foreign Restrictions on American Commerce.**— Restrictions of a more serious nature were about to be imposed on the commerce and carrying trade of the United States. In 1806 Great Britain issued an Order in Council in which the coast of France from Brest to the Elbe was declared to be in a state of blockade. Napoleon's



reply was the Berlin Decree (1806), which placed a blockade on the British Islands. The next year (1807), the British in another Order in Council extended the blockade of the French coast. By it, neutral vessels could not trade with France or her allies without first entering a British port, where they must pay export duties and procure a British license to trade with the enemy. Napoleon replied in the same year (1807) with another Decree, issued this time from Milan. In this Decree he ordered the seizure of all British vessels, and any neutral vessels which should comply with the British Orders in Council. Thus the foreign commerce and the carrying trade of the United States were in a predicament. Both were legally excluded from their most profitable fields. Their very existence depended largely on evading foreign laws and foreign regulations.

These blockades were binding on neutrals only in so far as either belligerent was able with a navy to enforce its Orders or Decrees. In this respect Great Britain had a decided advantage, since the French sea power had suffered a disastrous defeat at Trafalgar (1805). Napoleon's blockades, therefore, were largely "paper blockades." He did, however, commission privateers to prey on the enemy's commerce and on neutrals which complied with British regulations. In addition, he seized neutral ships anchored in French harbors, if there was the least suspicion that they carried British licenses. Between French privateers and French seizures, on the one hand, and the British navy, on the other, the commerce and carrying trade of the United States suffered enormous losses; hundreds of vessels and their cargoes valued at millions of dollars fell into the hands of the belligerents. The losses of vessels and cargoes sustained by the commerce and carrying trade of the United States were compensated in part at least, if not wholly, by large profits on goods smuggled through the blockade, and by high freights earned in carrying the goods; hence the restrictive policies of the warring nations might have elicited from the United States government nothing more than formal protests against seizure and condemnation of prices, had not Great Britain openly insulted the American government.

129. **British Oppression.**— The British, as has been noted already, claimed the right to search neutral vessels for British seamen. In making searches they were not over careful to treat American ship officers with respect. Worse yet, they too often failed to discriminate between deserters from their own vessels and native American sailors who had never seen service under the British flag. British war vessels cruised along the coast from Eastport to Cape Ann. Some lay off the Long Island shore. Some searched vessels and impressed men within a league of Sandy Hook. One squadron passed within the capes of Chesapeake Bay and anchored in Hampton Roads.<sup>1</sup> On several occasions British naval officers were insolent toward American officials, even defying, while on shore or in port, the laws of the country. More than once, British captains refused to leave port when ordered to do so by government officials.

Of all the acts of oppression committed by Great Britain, the most noteworthy was the overhauling and searching in 1807 of the United States frigate *Chesapeake* by the British ship *Leopard*. The *Chesapeake* had just set sail for European waters with her guns unmounted, and wholly unprepared for defense, when she was ordered by the commander of the *Leopard* to submit to search for several British deserters suspected of being in her crew. Unprepared as he was to resist, Commodore Barron refused to comply with the order, declaring that no foreign officer should ever muster his crew. The *Leopard* then fired on the helpless *Chesapeake*, which surrendered only after suffering great damage. British officers went on board and carried away four of the crew.<sup>2</sup>

The "Chesapeake Affair," as it is called, excited the greatest indignation everywhere. Many called loudly for war, declaring their belief that defeat would be preferable to such humiliation. President Jefferson knew that the country was not prepared to fight Great Britain. Moreover, he was a man of peace. Then, too, he had in mind plans whereby both belligerents might be brought to modify,

<sup>1</sup> J. B. McMaster, *A History of the People of the United States*, vol. III, p. 253.

<sup>2</sup> For an excellent account of the "Chesapeake Affair," see Channing's *The Jeffersonian System* (The American Nation, vol. XII) pp. 182-194.

if not to annul, their restrictions on American commerce. In line with his policy of peace, the President issued a proclamation in which he ordered the ports of the United States closed to English war vessels. This order, unfortunately, had little effect. British naval officers treated it with contempt. They sailed in and out of the principal harbors, even compelling by force the services of pilot boats and port officials. Such a situation was intolerable. What was the government to do? Coast fortifications were inadequate; there was no army; the best vessels of the navy were in Mediterranean waters.

**130. The Embargo Act.**— In the meantime Jefferson had decided to lay the whole matter before Congress. Accordingly in December, 1807, he submitted to that body evidence of the hostile acts that Great Britain and France had committed against American commerce and American neutrality. Both Houses gave immediate attention to the matter. The result was the Embargo Act of December 22, 1807, which provided that an embargo be "laid on all ships and vessels in the ports and places within the limits or jurisdiction of the United States, cleared or not cleared, bound to any foreign port or place; and . . . that . . . no registered, or sea letter vessel, having on board goods, wares and merchandise, shall be allowed to depart from one port of the United States to any other within the same, unless the master, owner, consignee or factor of such vessel shall first give bond . . . in a sum of double the value of the vessel and cargo, that the said goods, wares, or merchandise shall be relanded in some port of the United States. . . ."<sup>1</sup>

The act signed, Albert Gallatin, Secretary of the Treasury, immediately despatched copies to port officials with instructions to put the law in effect without delay. Everywhere among shipping interests, news of the Embargo created intense excitement. No sooner had the collector of the port of New York posted copies of the act, than ship captains scurried here and there gathering their crews and receiving instructions from owners and shippers. Most of them sailed without clearance papers, many even without cargoes. They pre-

<sup>1</sup> For complete text of the Embargo Act, see MacDonald's *Select Documents of United States History*, p. 177.

ferred the risk of capture by British war vessels to indefinite detention in port. Similar scenes were enacted in Philadelphia, Boston, and Charleston.

**131. The Embargo in Operation.**—The first effect of the Embargo was to stimulate trade. Shippers, hopeful of evading the law, hurriedly purchased available supplies of flour, wheat, corn, tobacco, and bacon, with the result that prices rose, in some quarters twenty-five and even fifty per cent. Soon a reaction set in. The government imposed more rigid restrictions until most of the markets were glutted with agricultural products. Farm crops were unsalable. Many farmers were financially ruined, for they had paid high prices for land with the expectation of selling their crops at high prices in European markets. In other directions similar effects were even more severely felt. Sailmakers, shipwrights, and draymen idled about the wharfs, depending oftentimes on charity. Sailors in particular suffered from the Embargo. In several cities they petitioned for work and occasionally threatened violence unless their demands were met by the city officials. Whatever may be said of the effects of the Embargo on American industry, we may safely conclude that it worked severe hardships temporarily on agriculture and commerce, especially so on thousands of individuals engaged in those enterprises.<sup>1</sup>

The decline of regular commerce during the fifteen months of the Embargo was very great. In 1807 the total value of exports was \$108,000,000; of imports, \$138,000,000. In 1808 the same items were \$22,000,000 and \$57,000,000 respectively. In spite of the

<sup>1</sup> Conflicting opinions have been expressed on the effects of the Embargo. Professor McMaster paints a gloomy picture of dismantled ships, of falling prices in domestic products and of rising prices in foreign products, of a hundred thousand men out of work for a year, and of crowded debtor's prisons. Other writers speak of ships rotting at the wharves of Salem and Boston, of grass-covered streets in these same seaports, of the ruin of the commerce of New York and Pennsylvania, and of the injury done to the Virginia planters.

Professor Channing, on the other hand, points out that no self-respecting ship owner would let his ship rot at the wharf or elsewhere during the comparatively short period of commercial restriction. Moreover, he proves that the wharves were not deserted by citing Gallatin's figures showing that ten million dollars were collected in duties for the year ending September 30, 1808, six million in the next year, and twelve million in 1810.

Embargo and the attempts of the government to enforce it, a surprisingly large amount of foreign trade was illegally carried on by American vessels, and across the Canadian border. As in the colonial days smuggling was easy and fairly safe. Coasting vessels often found it convenient to be blown out of course. Once on the high sea they had little trouble in putting in at a foreign port. Smuggling provisions across the line from Vermont into Canada became a thriving business. On the extreme southern border the St. Mary's River offered opportunities for selling to the Spanish.

Politically the Embargo was an important issue. Republicans supported, Federalists condemned it. The latter charged Jefferson with being a partisan of France and a tool of Napoleon.

**132. Non-Intercourse Act.**—After a year's trial the Embargo was seen to have failed in its purpose of forcing either Great Britain or France to annul obnoxious restrictions on American commerce. The commercial sections of the country were on the verge of revolt. Their merchants and shippers protested. They memorialized Congress and the President. In this stand they were supported by an influential minority in Congress. About to retire from office, Jefferson refused to insist on the continuance of the Embargo. Accordingly on March 1, 1809, he agreed to its repeal.<sup>1</sup>

The embargo was superseded by a Non-intercourse Act, which, as its name suggests, declared that the United States would not trade with Great Britain as long as the hated Orders in Council were effective, or with France until Napoleon nullified his Decrees. Section 11

<sup>1</sup> That Jefferson's hand was forced in the repeal of the Embargo is revealed by the following extract from a letter, dated July 16, 1810, to Henry Dearborn: "The Federalists, during their short-lived ascendancy, have nevertheless, by forcing us from the embargo, inflicted a wound on our interests which can never be cured, and on our affections which will require time to cicatrize. I ascribe all this to one pseudo-republican, Story. He came on (in place of Crownenshield I believe) and staid only a few days, long enough, however, to get complete hold of Bacon, who giving in to his representations, became panick struck, and communicated his panick to his colleagues and they to a majority of the sound members of Congress. They believed in the alternative of repeal or civil war, and produced the fatal measure of repeal. This is the immediate parent of all our present evils, and has reduced us to a low standing in the eyes of the world." *Ford's Writings of Thomas Jefferson*, vol. IX, p. 277.

of the Act provided, "That the President of the United States be, and he hereby is authorized, in case either France or Great Britain shall so revoke or modify her edicts, as that they shall cease to violate the neutral commerce of the United States, to declare the same by proclamation; after which the trade of the United States, suspended by this act . . . may be renewed with the nation so doing."

Soon after the passage of the Non-intercourse Act President Madison, learning through the British minister, Erskine, that his government had nullified the Orders in Council regarding American commerce, proclaimed a renewal of commercial relations with Great Britain. The proclamation gave new life to industry. Shipwrights, carpenters, sailmakers, and draymen could scarcely do all the work required of them. Shipyards took on their former air of prosperity. On the very heels of the proclamation came the news that the British government had not annulled the Orders in Council; instead that it had imposed still more stringent rules on American commerce. The news was too true. Erskine appears to have misunderstood his instructions. Consequently he was recalled by his government and a new minister sent in his place.

During the next two years and more, both Great Britain and France heaped one insult after another on the American government. Each in turn tried to force Madison and Congress to declare war on the other. Napoleon offered to withdraw his Decrees if the United States would force Great Britain to annul her Orders in Council. In reply the British drew their commercial restrictions tighter and became more insolent toward the American government.

**133. Declaration of War.**—Such a situation was intolerable. Would the United States dare fight Great Britain? Madison realized that the country was unprepared for war and not really united in its opposition to the British policy. In spite of such discouragement he sent to Congress on June 1, 1812, a "war message" in which he advised armed resistance. On the eighteenth, Congress formally declared war against Great Britain. The decision to resist the encroachment of the British on American commerce was largely the result of the

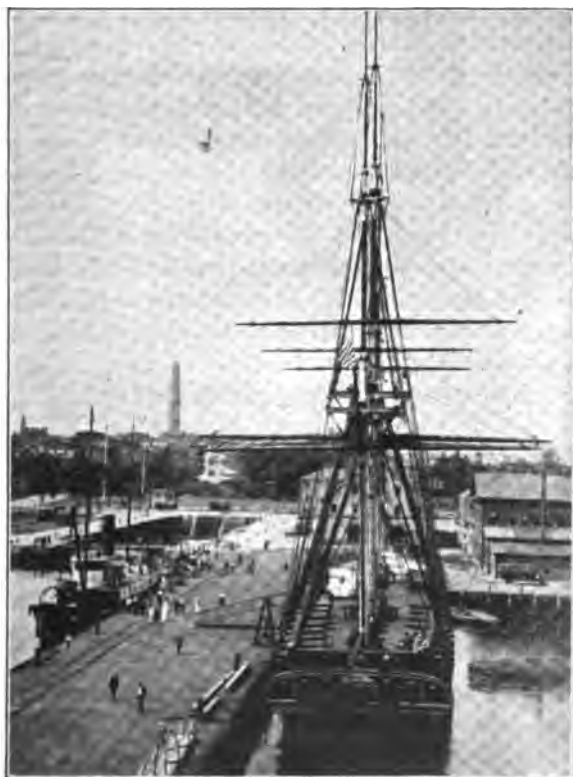
influence of a group of young statesmen known at the time as "war hawks." Of this group the most prominent members were Henry Clay of Kentucky and John C. Calhoun of South Carolina. Both men were able and energetic; both intensely patriotic. They were representatives of the generation of statesmen who were about to supersede the heroes of the Revolutionary War and the makers of the Constitution. Not all sections of the country, however, manifested such enthusiasm. New England desired to maintain friendly relations with Great Britain, for it was generally believed there that war with the British would seriously cripple American commerce. The feeling grew stronger as the war progressed until in 1814, delegates from several New England states met in convention at Hartford supposedly for the purpose of discussing the advisability of withdrawing from the Union.

**134. The War of 1812.**— If any one doubted that the United States was unprepared for war, the course of the war itself removed such doubts. The army was composed largely of raw recruits, badly disciplined and poorly equipped. On land, American successes were



Commodore Perry Changes Ships in Battle of Lake Erie

unimportant. At the outbreak of hostilities General Hull surrendered Detroit to the enemy; two years later (1814) Washington was captured and partially destroyed. On the sea the Americans had some



The "Constitution," in Charlestown Navy Yards

notable successes. The *Constitution*, the *Wasp*, and the *United States* were equal to the best Great Britain could send against them. Perry on Lake Erie and McDonough on Lake Champlain each gained an important victory over the enemy. The last battle of the war was fought at New Orleans in January, 1815, a month after terms of peace



had been agreed on. There General Jackson with a slight loss of men inflicted a crushing defeat on a British army. This battle had no effect on the war itself, yet ever since that time it has been pointed to as an evidence of the superiority of American arms.

**135. Effects of the War.**— In the treaty that brought the war to a close little was said about the abuses against which the Americans had fought. Ostensibly the people of this country had gained nothing. Really, however, they had gained the principal objects for which the war had been fought, for, as we shall see later, American commerce now started a rapid growth which placed it fifty years later (1861) on an equality with the commerce of Great Britain.<sup>1</sup>

In many other directions the war had a lasting influence on American industry and American life. It demonstrated the inefficiency of state banking, called attention to the needs of internal improvements, such as canals, hastened the westward movements, and brought into existence a variety of manufacturing industries.

## II. THE AMERICAN INDUSTRIAL REVOLUTION

**136. Nature of the Revolution.**— The American Industrial Revolution, as the expression implies, was a revolution in industry, particularly in the methods and volume of manufactures. The English Industrial Revolution, which had begun a generation before (about 1760), was characterized by a change from hand labor to machine labor. Its American counterpart was characterized not so much by changes from one form of manufacture to another as by changes from other industries to manufactures. Unlike a political revolution, the American Industrial Revolution had no exact date for its beginning, none for its close. One finds there no Lexington, or Yorktown, no Declaration of Independence or Treaty of Paris. Hence differences of opinion exist as to the approximate dates of its beginning and of its close. Some, for instance, would have it extend from 1806

<sup>1</sup> The treaty of peace was not satisfactory to either side. One of the best known writers on the period sums up the results as follows: "Thus the treaty became simply a cessation of hostilities, leaving every claim on either side open for future settlement."



to 1840; others, from 1808 to 1860. Neither opinion is incorrect. For our purpose, we may say that it began with the federal government in 1789 and closed with the treaty of peace in 1814. During this period the English factory system was introduced into the United



*By Courtesy of S. Slater & Sons*

The Oldest Cotton Mill, at East Village, Massachusetts

States. The people became self-sufficing in many kinds of manufactured goods. Manufacturing took its place alongside agriculture and commerce, thus completing the industrial trinity.

**137. Adaptations and Inventions.**—Several factors, quite independent, combined to bring about radical changes in industry and to give the United States a leading place among manufacturing nations. One of these factors, which we may well call the *spirit* of American industry, was, and is, characterized by ingenuity, aggressiveness, and independence. Even before the Constitution was adopted, we see this spirit at work. The British government, fearful of competition from other countries, had forbidden the exportation of machinery for making cloth. Undismayed, Samuel Slater, a recent

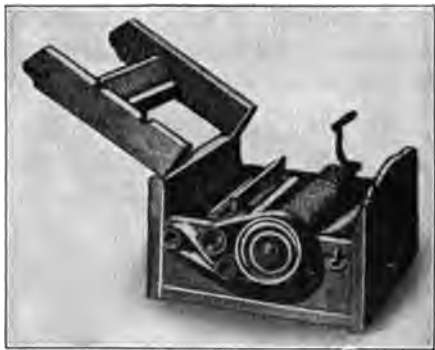
immigrant from England, assisted by public spirited men, built, in 1789, a machine for making cotton goods. This has been called the introduction of the English factory system in America.

A few years later (1793) a Yankee school teacher, Eli Whitney, invented the cotton gin, which made possible the cleaning of hundreds of pounds of cotton where but one pound had been cleaned by hand.<sup>1</sup>

These instances are typical. They illustrate the inventive genius of the people in adapting methods and

making improvements; and to this genius much credit must be given for the ease with which the people of the United States changed from commerce to manufactures during the decade 1806-1815.

In natural resources the people of the United States were abundantly supplied. Raw materials, water power, and fuel were plentiful. The South furnished cotton for New England mills; the middle states produced wool for the cloth and carpet makers of that region. Deposits of iron ore existed in abundance on both sides of the mountains. In the north-



Whitney's Cotton Gin



Eli Whitney  
Born 1765. Died 1825

<sup>1</sup> South Carolina voted Whitney \$50,000, but did not pay it before long lawsuits had been held. North Carolina gave him a percentage for five years on the use of the gin. When Congress refused to renew his patent, Whitney engaged in the manufacture of fire arms for the government during the War of 1812-15 and managed to make a fortune for himself.

ern states, water power was plentiful and available, sometimes, as on the Merrimac River, close to the sea. For smelting iron there was an almost inexhaustible supply of wood and coal. Thus the inventive genius of the people combined with the gifts of nature to make the United States a manufacturing as well as a commercial and agricultural nation.

**138. Hamilton's "Report on Manufactures."**—Soon after the organization of the government in 1789, Congress requested Alexander Hamilton, Secretary of the Treasury, to investigate the manufactures of the country, and to report on their character, condition, and extent. Hamilton performed the task so well that his "Report on Manufactures," which he submitted to Congress in 1791, is recognized as one of the ablest of American state papers. In this report the Secretary dealt not only with plans to develop manufactures, which we shall notice in discussing the tariff, but also with their extent and variety. According to his report the inhabitants of numerous sections



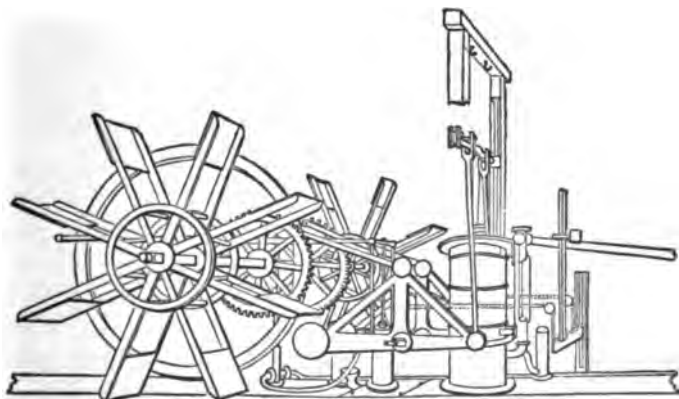
Alexander Hamilton  
Born 1757. Died 1804

of the country were manufacturing sufficient cloth for their own needs. Everywhere there were being made in the households, "great quantities of coarse cloths, coatings, serges, and flannels, linsey woolseys, hosiery of wool, cotton, and thread, coarse fustians, jeans, and muslins, checked and striped cotton and linen goods, bed ticks, coverlets and counterpanes, tow lines, coarse shirtings, sheetings, towelling, and table linen, and various mixtures of wool and cotton, and of cotton and flax."<sup>1</sup>

<sup>1</sup> For Hamilton's reports, see Lodge's *Works of Alexander Hamilton*, vols. II and III. See also the Appendix of this book.

Not less important was the condition of manufacturing establishments, many of which had "grown up and flourished, with a rapidity which surpasses, affording an encouraging assurance of success in future attempts." Important products of the establishments mentioned by Hamilton were boots, shoes, harness, saddles, gloves, muffs, parchments, and glue; bar and sheet iron; nails, implements and tools, stoves, anchors, firearms, cabinet ware, liquors, brick and tile; paper, hats, and sugar; copper, brass, and tinware; manufactured tobacco and gun powder.

**139. Manufactures and Neutrality.**—During the fifteen years following Hamilton's Report (1791 to 1806), manufactures developed but slowly. The people gave their attention chiefly to agriculture and commerce. The West with its abundance of cheap land absorbed the surplus population of the older states, thus limiting the supply of labor which otherwise might have gone into manufactures. Even along the coast where the soil had become more or less exhausted, farming was profitable owing to the demands of Europe for foodstuffs. Commerce likewise affected adversely the development of American manufactures. The neutral trade returned large profits to those engaged in it. Hence the capital which later went into



Machinery of Fulton's First Steamboat

manufactures was used to better advantage in commerce and the carrying trade. Merchants and traders bought food supplies for the belligerents. Ship owners and crews carried these supplies to Europe and exchanged them for manufactured goods. In addition, many of them engaged in the profitable trade between France and her West Indian possessions. Thus the reasons why American manufactures failed to develop during these years to any great extent are easily seen: the limited number of people and their limited amount of capital found full employment in agriculture and commerce, simply because they were more profitable forms of industry than manufactures.

**140. American Industrial Isolation.**—Beginning about 1806 all forms of American industry underwent radical changes. In that year a British Order in Council, as we have seen above, prohibited neutral trade with a great portion of the French coast. This and other Orders, together with the Decrees of Napoleon, seriously crippled the trade and commerce of the



Drawing of Fitch's Second Steamboat

United States. The Embargo (1807) and the Non-intercourse Act (1809) practically completed what Great Britain and France had begun — the isolation of American industry.

Cut off from European markets it became necessary for the industrial interests of the country to readjust themselves. Obviously the first change took place in commerce; many ship owners pocketed their losses incurred by capture or idleness, and sought new avenues of investment; merchants and traders curtailed their food shipments to the European markets; the farmers and mechanics who had formerly profited by the high prices of their products no longer demanded large quantities of foreign goods. Likewise, laborers found it necessary to meet new conditions. Many sailors turned their hand to manufactures; some went into agriculture, either migrating westward or displacing established farmers who desired to move to new

lands beyond the mountains. What was true of the sailors was also true of a great many skilled mechanics and day laborers who depended on commerce for a living. They changed occupations through necessity. Thus the period of "American industrial isolation" saw capital and labor flow from commerce and shipping into agriculture and manufactures.

**141. State of Manufactures in 1809.**— Desiring to gain some idea of the effect of the restrictions on commerce, Congress requested Albert Gallatin, Secretary of the Treasury, to investigate the state of manufactures. This the Secretary did in 1809. According to his



Albert Gallatin  
Born 1761. Died 1849

Report the country was self-sufficing in the following products:

Manufactures of wood, or of which wood is the principal material.

Leather, and the manufactures of leathers.

Soap, and tallow candles.

Spermaceti oil and candles.

Flaxseed oil.

Refined sugar.

Coarse earthen ware.

Snuff, chocolate, hair powder, and mustard.

In other important lines the people were manufacturing almost enough goods for their own use. Chief of these were: iron and iron products; manufactures of wool, cotton, and flax; paper and books; spirituous and malt liquors; window glass, jewelry and clocks.

The manufacture of leather products — boots, shoes, saddles, and harness — was on a relatively large scale. The estimated value



of the annual output exceeded \$20,000,000. Quantities were exported. The manufacture of cloth (cotton, wool, and flax) showed a healthy growth. In 1809 something like one hundred mills employed 40,000 spindles. Still more general were the manufactures of iron and iron products, with an annual value of \$15,000,000. Fifty thousand tons of bar iron, it was estimated, were used each year, four-fifths of which were produced in the United States. Altogether the total value of the output of American manufactures in 1809, the second year of embargo and non-intercourse, exceeded \$120,000,000.

Gallatin summarizes well the situation as follows: "Several of these obstacles [to manufactures] have, however, been removed or lessened. The cheapness of provisions had always, to a certain extent, counter-balanced the high prices of manual labor; and this is now, in many important branches, nearly superseded by the introduction of machinery; a great American capital has been acquired during the last twenty years; and the injurious violations of the neutral commerce of the United States, by forcing industry and capital into other channels, have broken inveterate habits, and given a general impulse to which must be ascribed the great increase of manufactures during the last two years, [1807-1809]."<sup>1</sup>

**142. Manufactures and War.**—Thirty months of armed hostility with the British, who led all other people in manufacturing, was the final factor in developing manufactures in this country. Necessity was the mother of invention. The Americans simply had to weave their own cloth and to make their own machines and tools. The war stimulated not only a growth of manufactures, but also changes in methods. Though the army was small and poorly equipped, government officials found it necessary to purchase large supplies of clothing, tents, blankets, and leather equipments. Obviously they could not depend on household manufactures to supply the government's demands. Hence there arose a class of government contractors who

<sup>1</sup> Much information on the finances of the United States may be obtained from Gallatin's correspondence and writings as given in Henry Adams' three-volume work, *Writings of Albert Gallatin*. *American State Papers* (Finance) also contain full accounts.

either manufactured the goods themselves, or sublet the contracts to others. In either case manufacturing on a relatively large scale was encouraged.

In yet another way the war contributed to the development of manufactures. The contest was waged by the Americans against aggression and for commercial freedom. Whatever their success, it had to depend largely on the ability of the manufactures of the country to make arms and equipment, and to provide means of transportation. In other words, the war itself brought into existence a variety of manufactures, and stimulated others to a growth they otherwise would not have attained. At the end of the conflict British merchants and manufactures flooded the American markets with goods, offering them at lower prices than their competitors here could produce them, and often on better terms. Naturally American manufacturers protested against what appeared to them to be "unfair competition." They petitioned Congress for protection on the ground (1) that they had performed a public service by building up manufactures during the war; (2) that the integrity of the United States as a nation depended on its becoming industrially self-sufficing; (3) that high wages made it impossible for them to compete with British manufactures of similar goods. Congress and the people generally endorsed their stand. Duties were laid on cloth and other imports in order to protect American producers; but a discussion of those duties and their effects must be deferred to the chapter on the tariff.

#### ORAL AND WRITTEN EXERCISES

1. Locate Trafalgar, Sandy Hook, Hampton Roads, St. Mary's River, Lake Erie, Lake Champlain, Eastport, Cape Ann.

- 
2. What was Washington's policy regarding European alliances?
  3. What were the immediate effects of the European war on American commerce?
  4. What is a "paper blockade"?
  5. How did British naval officers regard the neutrality laws of the United States?

6. Was the United States "prepared" for war with Great Britain?
  7. How was the Embargo regarded by the politicians?
  8. What was the chief difference between the Embargo and the Non-intercourse Act?
  9. Who were the "war hawks?" Who was Alexander Hamilton? Albert Gallatin? Henry Clay? John C. Calhoun? Andrew Jackson? Samuel Slater? Eli Whitney?
  10. Why is it difficult to set an exact date for the beginning or the close of the American Industrial Revolution?
  11. What progress was made in manufactures between 1791 and 1809?
- 
12. What were the causes of the European war?
  13. When did the Napoleonic war close?
  14. What was the importance of the Battle of Waterloo?
- 
15. Suggested topics for oral or written reports:  
 Restrictive Measures of Great Britain and France.  
 The Isolation of American Industry.  
 Effects of the War of 1812 on Industry.
  16. Important dates:  
 1789 — The first cotton mill built in America.  
 1791 — Hamilton's Report on Manufactures.  
 1807 — The Embargo Act.  
 1809 — The Non-intercourse Act.  
 1814 — Treaty of Peace with Great Britain.

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# CHAPTER X

## THE WESTWARD MOVEMENT

### 1789-1860

#### I. SETTLEMENT OF THE WEST

**143. Extent of the Movement Westward.**— The Treaty of Paris (1783) gave to the United States practically all of the territory east of the Mississippi River except Florida. By purchase, conquest, and treaties, the government extended its jurisdiction until by 1853 the boundaries of the country had assumed their present location.

#### GROWTH OF THE AREA OF THE UNITED STATES

Territory	Date of Acquisition	Area in Square Miles
Original Territory . . . . .	1783	892,135
Louisiana Purchase <sup>1</sup> . . . . .	1803	827,987
Florida <sup>2</sup> . . . . .	1819	72,101
Texas . . . . .	1845	389,166
Oregon Claim <sup>3</sup> . . . . .	1846	286,541
Mexican Cession . . . . .	1848	529,189
Gadsden Purchase . . . . .	1853	29,670

<sup>1</sup> Soon after the purchase of Louisiana (1803) from France, for the sum of \$15,000,000, President Jefferson sent an exploring expedition into the Far West under the command of Meriwether Lewis, his private secretary, and William Clark. The expedition, about fifty strong, left St. Louis in May, 1804. Eighteen months later (November, 1805), the expedition reached the mouth of the Columbia River, after having traveled something like four thousand miles. The next year (1806), Lieutenant Zebulon Pike explored portions of the Louisiana Purchase, discovering Pike's Peak on his march southwestward into Spanish territory.

<sup>2</sup> The claims of the United States for Florida caused endless friction with Spain. West Florida was claimed by this country as a portion of the Louisiana Purchase. Despite the denial of the validity of such claims by both Spain and France, the United States annexed a portion of the disputed territory in 1810, and by 1814 was in control of West Florida. Five years later (1819), a treaty was made with Spain by which the United States acquired both Floridas (East and West) on the payment of \$5,000,000 to Spain.

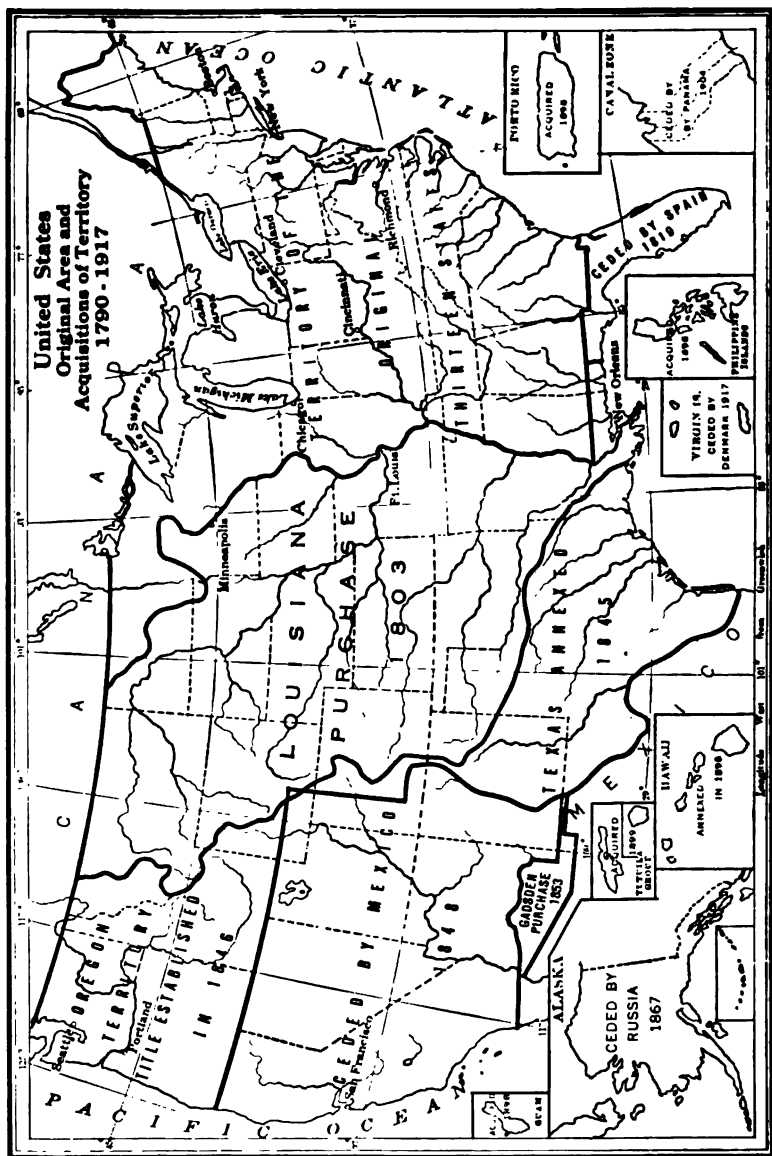
<sup>3</sup> The boundary of the Oregon country was a matter of dispute with Great Britain for many years. The claims of the United States were based on: (1) discoveries of Captain Gray (1792); (2) Lewis and Clark expedition (1804-1806); settlement made by John Jacob Astor (1811); and (4) first permanent settlement in the Willamette Valley (1832). The British based their claims on the occupancy

The acquisition of this vast territory and the spread of settlement into the Mississippi Valley and even beyond we may for convenience call the *westward movement*. Before 1850 millions of emigrants from the East and Europe had settled in the Mississippi Valley. Between 1791 and 1821 nine new states were organized in that region. In 1810 the population of Ohio was 230,760. During the next twenty years it increased more than three-fold to 937,903. The growth of Illinois was even more remarkable. In that state the population practically doubled every ten years, while the increase in the United States as a whole was scarcely one-third as great. Another indication of the rapid growth of the West was the increase in city population of that region. There were but two cities of any size west of the mountains in 1810 — New Orleans, and Pittsburgh. By 1840, however, Cincinnati, Louisville, St. Louis, New Orleans, and Pittsburgh each had a population of over 10,000. The next two decades saw an even more rapid increase of city population. In 1860 New Orleans, the metropolis and chief port of the Mississippi Valley, had a population of 168,675; Cincinnati, 161,044; St. Louis, 160,773; and Chicago, 109,260. West of the Mississippi, the leading cities were San Francisco, Kansas City, St. Joseph, Omaha, Des Moines, and Portland.

State	Date of Admission	Area in Square Miles	Population 1820	Rank	Population 1850	Rank
Kentucky . .	1791	40,598	564,317	6	982,405	8
Tennessee . .	1796	42,022	422,823	9	1,002,717	5
Ohio . .	1803	41,040	581,434	5	2,339,511	3
Louisiana . .	1812	48,506	153,407	17	517,762	18
Indiana . .	1816	36,354	147,178	18	988,416	7
Mississippi . .	1817	46,865	75,448	21	606,526	15
Illinois . .	1818	56,665	55,211	24	815,470	4
Alabama . .	1819	51,279	127,901	19	771,623	12
Missouri . .	1821	69,420	66,586	23	682,044	13

From the foregoing table it will be seen that between 1820 and 1850 the population of the nine new western states increased more

of the territory by the Hudson Bay Company. Repeated attempts were made to determine a boundary, and in the presidential campaign of 1844 a cry was raised to fix the line at 54° 40' ("Fifty-four Forty, or Fight"). Two years later, President Polk had a treaty negotiated with Great Britain which fixed the boundary at the 49th parallel, and on that line it has since remained.



than 300 per cent. The increase in the other states during the same thirty years was less than 100 per cent.

The spread of population is indicated by the location and length of the frontier line in different census years, and by the area of settled land east of this line. The frontier line marked the western limit of a *continuous* line of settlements of two persons to the square mile from Canada to the southern border. To be sure, there were many isolated sections of greater density west of the line, as well as large areas of unpopulated territory on the eastern side.

**144. Routes to the West.**—The first emigrants to the West crossed the mountains and struck out boldly along the Indian trails into the wilderness beyond. They made their first settlements in western New York, western Pennsylvania, Kentucky, and Tennessee. The growth of Pittsburgh caused the Ohio River, after 1800, to become an important route to the West for settlers from the middle states. Emigrants from Virginia used the Kanawha to reach the Ohio, while those from the Carolinas and Georgia either traveled directly westward by land or floated down the Cumberland or Tennes-



Cincinnati, Ohio, in 1841

Note the activities along the wharf. In the early days the importance of such towns as Cincinnati was closely related to the river trade.

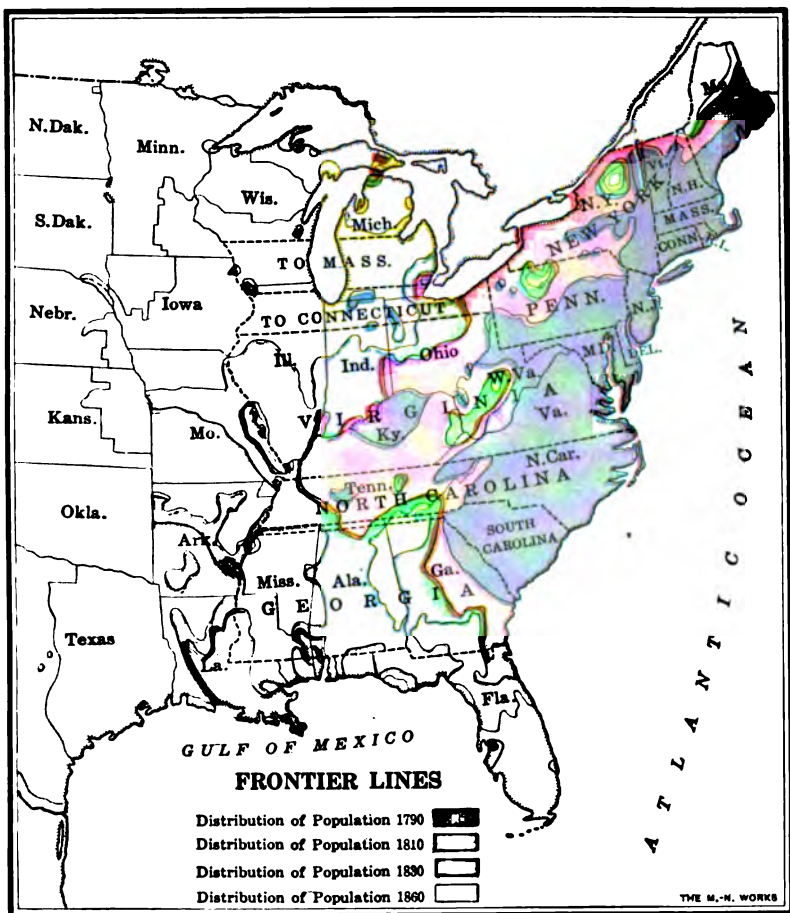


see River. As the Cumberland Road was opened up, it offered the best opportunity available up to that time for land transportation westward. The completion of the Erie Canal in 1825 made the lake route convenient for emigrants moving from New England and New York to the extreme northern sections of the western country. Beginning with the introduction of the steamboat on the Mississippi River about 1816, that stream and its tributaries became important routes, especially for emigrants desiring to make settlements in the Louisiana Territory. One well known land route to the Far West was the Sante Fe Trail, which led from the Mississippi Valley into the Southwest. Others led to California and even to the extreme Northwest. As the country became settled other routes were opened. Stage coaches and railroads carried emigrants to localities inaccessible to navigable waters. The Ohio, the Indiana, and the Illinois-Michigan canals connected the Great Lakes with the Mississippi Valley.

The situation and direction of these routes of travel determined to a large extent the nativity of the settlers in the various regions. South of the Ohio River, former inhabitants of Virginia and the Carolinas were most numerous; in the lake regions, the New England and New York elements predominated; and in the southern sections of Ohio, Indiana, and Illinois, the North and South met.<sup>1</sup>

**145. Methods of Travel.**—In “going west,” emigrants used different methods of travel. On the wagon roads one might see some walking, some riding on horseback, some driving wagons drawn by horses or mules, and even oxen. Northern families went singly or in groups. The grown-up boys took turn in driving the team. The father hunted along the way for game and wild honey, keeping a sharp lookout for a good location to settle. The children kept the cattle and extra horses from straying too far from the wagon. At night

<sup>1</sup> Illinois projects far southward. Slave states or territories lay to the south and west, and on the east southern Indiana was pro-slavery in sentiment and in practice. Moreover, the influential leaders of Illinois came from the South, and during the early years the “prairie state” was in close commercial relation with the slave states. In spite of these influences, however, the growing anti-slavery sentiment prevailed after years of struggle, not in Illinois alone but in all the disputed Northwest Territory.



Note the irregularity of the frontier lines and their relation to the location of rivers, also to the early land claims.





**The Conestoga Wagon**

This "freight wagon" (named from Conestoga County, Pennsylvania, where it originated) was built with a curved bottom to prevent its load from slipping from right to left, and from moving backward or forward in going up or down hills, and was considered a high type of vehicle in its time.



**Crossing the Plains in Caravans of Covered Wagons**  
Many families journeyed together for mutual protection.

the emigrants camped along the roadside, preferably near a spring of running water. Here they cooked their food, fed the horses and cattle, and prepared for another day's journey of fifteen or twenty miles.<sup>1</sup>

In the South the moving of a plantation family overland was more spectacular and involved greater expense. The planter by necessity carried tools and work animals, in order that he might set the slaves to work in the new home without delay. To the slaves themselves, moving was little more than a succession of holidays. By day they enjoyed every new sound and sight; at night they sang and danced around the campfire as unmindful of the future as they were forgetful of the past.<sup>2</sup>

<sup>1</sup> Morris Birkbeck in *Notes on a Journey in America* describes wagon road travel as follows: "A small waggon (so light that you may almost carry it, yet strong enough to bear a good load of bedding, utensils, and provisions, and a swarm of young citizens — and to sustain marvellous shocks in its passage over these rocky heights) with two small horses; sometimes a cow or two, comprises their all; excepting a little store of hard-earned cash for the land office of the district; where they may obtain a title for as many acres as they possess half-dollars, being one fourth of the purchase money. The waggon has a tilt, or cover, made of a sheet, or perhaps a blanket. The family are seen before, behind, or within the vehicle, according to the road or weather, or perhaps the spirits of the party.

"The New Englanders, they say, may be known by the cheerful air of the women advancing in front of the vehicle; the Jersey people by their being fixed steadily within it; whilst the Pennsylvanians creep lingering behind, as though regretting the homes they have left. A cart and single horse frequently afford the means of transfer, sometimes a horse and pack-saddle. Often the back of the poor pilgrim bears all his effects and his wife follows, naked-footed, bending under the hopes of the family."

Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, pp. 352, 353.

<sup>2</sup> Thomas Babney, a Virginia slave owner, bought 4,000 acres of land in Mississippi. His negroes had intermarried with negroes on neighboring plantations. Babney offered to buy husbands and wives at the owner's figures or sell those whom he owned to any master or mistress whom they might choose. All the negroes followed Babney and his wife.

Smedes in *Memorials of a Southern Planter* describes the uneventful journey to the new home as follows:

"The journey was made with so much care and forethought that not a case of serious illness occurred on the route. The whole families were quartered at night, if practicable, in the houses that they found along the way. Tents were provided for the negroes. The master himself, during the entire journey, did not sleep under a roof. The weather was perfect: no heavy rains fell during the two months. He wrapped himself in his great-coat, with sometimes the addition of a blanket, and slept all night in their midst, under one of the travelling wagons. . . ."

Reprinted in Callender's *Selections from the Economic History of the United States*, p. 642.

Travel by river was easier and less expensive than travel by land, but attended with greater danger. At Pittsburgh or Wheeling the emigrant bought or built a rude raft on which he loaded his family and belongings. Thus equipped, he pushed his "vessel" out into the river and began his journey down the Ohio. His greatest care was to avoid snags and shoals. During the day he floated with the current, at night he tied up along the bank. The river journey ended, he broke up the raft for its lumber and iron and prepared to settle nearby, or to continue by land to the place selected for the new home. Wealthier emigrants, and men without families, often traveled westward and up the Mississippi by steamboat. On the lakes the steamboat was the principal means of travel and communication.

Whatever the method of travel, the journey from the Atlantic seaboard to the West was laborious and even dangerous. The hazards of travel, the likelihood of illness from exposure, and the natural harshness of the frontier combined to turn back the weakling and the faint-hearted.

**146. Waves of Emigration.**—In the westward movement there may be distinguished three general classes of emigrants, each class characterized by the methods its members employed in building homes and cultivating the land. The first class was the "pioneer," who built a rude log cabin, cleared a patch of ground for corn and vegetables, and spent much of his time in hunting and trapping. Often this "pilot of the wilderness" had only a squatter's claim to the land which he cultivated. When other emigrants had settled near him, he felt crowded and looked about for more room. Disposing of his claim under the pre-emption law, he pushed farther westward, or "to employ his own figure 'breaks for the high timber,' 'clears out for the New Purchase,' or migrates to Arkansas or Texas, to work the same process over." The next class, the "settler," bought government land or squatter claims. In contrast to the pioneer, he built hewn log houses equipped with glass windows and brick chimneys, planted orchards, and cleared large fields. After a time the

settler gave way to the "farmer," and with the purchase price of his old home in his pocket followed the pioneer westward. "Thus wave after wave is rolling westward:— the real *el dorado* is still further on." <sup>1</sup>

**147. Character of the Emigrant.**— The westward movement was characterized by the sturdiness of the emigrants and their spirit of optimism.<sup>2</sup> The men and women who braved the wilderness to build homes on the frontier were not as a rule members of the so-called better families, distinguished for their learning and their wealth.



A Pioneer Home  
This Cabin was Built by the Lincoln  
Family in 1830.

Nor were they members of the lowest social and least well-to-do classes. On the contrary, most of them were typical middle-class farmers, mechanics, and laborers, who saw little prospect ahead of acquiring economic independence in their old homes in the East. Some were ambitious young lawyers and doctors unwilling to serve the apprenticeship required in the

older communities. Others were traders and merchants anxious to widen the scope of their operations. Those already established in the East usually had everything to gain by remaining at home; the social and industrial unfit had neither the courage nor the means to undertake a journey to the frontier. At the top, to be sure, were a few rich planters, bankers, and merchants seeking larger investments; at the bottom, criminals, adventurers, and ne'er-do-wells. Regardless of station and wealth all looked to the future with keen expectation. All dreamed of greater opportunity and greater success.

<sup>1</sup> An excellent account of the restlessness of the frontiersman is found in J. M. Peck's *A New Guide for Emigrants to the West*, pp. 119-121.

<sup>2</sup> Another very noticeable characteristic of the western emigrant was determination. Sometimes cheerful, often discouraged, sometimes poorly clad, often ill shod and with bruised feet, he yet pressed onward towards the land of promise "toiling, rejoicing, sorrowing," but ever onward. Sometimes, under greater difficulties, "toiled the partner of his pilgrimage, conducting, like John Rodgers' wife, 'nine small children and one at the breast.'"

Otherwise they never would have left the East. This spirit of optimism, "the spirit of the West," exerted a tremendous influence in shaping the character and policies of the American people. It was reflected in business manners and customs, religion, politics, and legislation.<sup>1</sup>

**148. The Public Domain.**—Of the many forces that combined to cause emigration from the East and Europe to the Mississippi Valley, none was stronger than the ease with which farm land could be acquired from the government. For several years prior to 1820 the settlers practically had a choice of the best situated and the most fertile public land of the West at the nominal price of \$2 an acre, only one-fourth of which was required to be paid in cash. In that year (1820) the price was reduced to \$1.25 an acre cash, and the minimum amount which the government would sell, to 80 acres. With the exception of minor modifications, regulations of the sale of public lands to the settlers remained unchanged until the enactment of the Homestead Law in 1862.

Thousands of emigrants settled, or "squatted," on public lands even before the government had offered them for sale. Consequently the squatter had no title to his farm, and no assurance of retaining it after the government put it on the market. As might be expected, unscrupulous speculators made it a practice to buy up squatters' farms before the occupiers had the opportunity or the means to get

<sup>1</sup> James Hall in *Letters from the West*, after describing a large New England family on their way to the West, speaks thus of their spirit: "They had reached the summit of the mountain just as I overtook them, and as they halted to rest, I checked my horse to observe them. As they stretched their eyes forward over the interminable prospect, they were wrapped in silent wonder. As far as the vision could extend there was nothing to intercept it; beneath our feet lay mountains, and valleys, and forests, and rivers, all of which must be passed before these

"Sad unravellers

Of the mazes to the mountain's top,"

could reach the land of promise, which they imagined they could now dimly discern in the distant horizon. They looked back with a kind of shuddering triumph at what they had accomplished; they looked forward with a trembling hope at what was to come. I thought I could see in their faces regret, hope, fear, resignation—but they spoke cheerfully, and expressed no dissatisfaction; and after answering their inquiries as to their route onward, I left them."

Reprinted in Bogart and Thompson's *Readings in the Economic History of the United States*, pp. 354, 355.



the land for themselves. Thus the squatter lost both his home and the improvements he had made. To eliminate this abuse, pre-emption laws, enacted in 1830 and subsequent years, provided that settlers who had illegally taken up lands in the public domain should be given the first opportunity to buy their farms from the government when they were offered for sale.

Between 1789 and 1820, during which time the price of the public land was \$2 an acre, the total amount sold and paid for was a little more than 12,000,000 acres. The sales during the next ten years averaged 800,000 acres annually. By 1830, almost a half century after the first sale had been made by the Confederation Congress in 1787, the total amount of public lands sold was about 20,000,000 acres, an area somewhat less than that of the state of Indiana. The next three decades saw a remarkable increase in the amount of public lands sold to individuals and donated to the states by the federal government. In 1830 the receipts from the sale of land were \$2,320,356. The industrial boom of the next few years increased the receipts to \$14,757,600 in 1834, and to over \$24,000,000 in 1836.<sup>1</sup> This was the high-water mark in government land sales. Between 1840 and 1860 the annual receipts fluctuated from less than \$2,000,000 to over \$11,000,000. The total amount of money received by the government from this source up to the breaking out of the Civil War was a little more than \$175,000,000.

**149. Land Speculation.**—The rapid growth of the West in population stimulated speculation in farm land and town sites. The frenzy for getting rich by buying land cheap and selling it at an advance, took hold of the people in the East as well as in the West. Because of its influence, an English observer once referred to land speculation as the "great western staple." Far-sighted men secured government land in favored localities and held it for a rise in price. Others bought squatter claims, and farms of dissatisfied settlers, with the idea of selling them at a profit. Towns were projected in the most out-of-the-way places. Many a future city, whose site is

<sup>1</sup> In 1836 for the first and last time in our history the receipts from public land sales exceeded the customs receipts.

now a corn field, was laid out, the plat lithographed, and the lots actually sold. Every mail eastward carried the prospectus of a western boom town. Rivalry among town builders sometimes became exceedingly bitter, and there is scarcely a county in the Mississippi Valley that has not had its county-seat fights over the location of the court house. The profits to be derived from speculation depended on the ability of owners to buy cheap and sell at an advance. One careful observer has described land speculation in the west as follows: "Thus *A*, after much thinking, and watching, and saving, or borrowing, secured a corner lot in his favorite city (that was to be), or his half-section in some future garden of the Union (often actually indicated in the deed of sale by the latitude and longitude); this he sold at a profit to *B*, on a few years' credit (secured, of course, by mortgage); *B* did the same to *C*; and so on."<sup>1</sup> It may be concluded then that the western people were dealers in land as well as its cultivators.

## II. EFFECTS OF THE WESTWARD MOVEMENT ON AMERICAN INDUSTRY

### 150. The Place of the Westward Movement in American History.

— The westward movement does not explain every development in American history during the half century preceding the Civil War, yet it is doubtful if any other single force, not even excepting slavery, did as much to shape the policies of the government and to mould the character of the people and their industries. This movement with its abundance of free land affected (1) the growth and density of the population, slavery, and immigration; (2) wages and the supply of labor; (3) manufactures; (4) the accumulation of capital and the interest rate; (5) banking and the currency; (6) foreign commerce, transportation, internal improvements, and communication; (7) rents and the price of farm products.<sup>2</sup>

<sup>1</sup> For a further account of land speculation see D. W. Mitchell, *Ten Years in the United States*, pp. 325-329.

<sup>2</sup> Professor Turner's epoch-making article on the Significance of the Frontier is found in *American Historical Association Reports* (1893), pp. 199-227. It is also reprinted in Bullock's *Selected Readings in Economics*, pp. 23-59.

The settlement of the Mississippi Valley exerted influence in yet other directions. The frontier environment so modified and reshaped the manners and customs of the emigrants as to make them almost a new people. They in turn influenced those who had remained in the East, until Americans possessed characteristics they undoubtedly would not have possessed had there been no westward movement. Furthermore, the West was not without influence in the affairs of the nation. Its share in national legislation was important, and rapidly growing. Its statesmen were leaders. More than once it held the political balance between the old East and the old South. Thus a proper understanding of the industrial, social, and political development of the American people during this period depends to a considerable degree on a knowledge of the westward movement and its influences.

**151. The Westward Movement and Population.**— The westward movement had several important effects on the growth and distribution of population. First, it was an influential factor in determining (a) the growth of all classes of population, (b) the volume of immigration, and (c) the spread of slavery. Second, it influenced the distribution of people among the various sections of the country and among the different industries.

The westward movement caused an increase in the native population by making living conditions easier than they otherwise would have been. Food was cheap and plentiful, wages were high, and the town population had not yet become crowded. The abundance of land in the West was the drawing force that brought more than one immigrant to America. The settlement of the Southwest gave new life to the institution of slavery by furnishing greater opportunities for its employment. Perhaps it would not be too much to say that the clash over slavery, which culminated in armed strife, was caused largely by the attempts of both the slavery and anti-slavery men to gain possession of the western lands.

The distribution of the people, industrially as well as geographically, was influenced by the westward movement. It furnished an

outlet for whatever surplus population the East otherwise might have had. In fact, at times the population of several of the eastern states remained almost stationary in spite of foreign immigration. Thus the westward movement tended to check growth in density of population in the eastern sections by scattering the people over larger areas. Moreover, by furnishing a cheaper food supply it caused many eastern farmers to abandon agriculture and to go into manufactures.

**152. The Westward Movement, Wages, and the Supply of Labor.**

— Although, as has been pointed out, the westward movement appeared to increase the total numbers of workers by stimulating the growth of population, it lessened the number who otherwise would have been compelled to work for wages by offering every man the opportunity to work for himself on his own land. It was estimated that a mechanic could ordinarily save money enough in one year to buy a quarter section (160 acres) of government land. Farm hands could do almost as well. Hence members of the wage-earning classes were constantly becoming landed proprietors desirous of employing others to work for them. As a result hired labor was relatively scarce and wages were somewhat higher than those received by European workers in similar industries.

Furthermore, dissatisfaction among employees, which during the past generation has manifested itself in strikes, was at that time practically unknown. The hired laborer, if he became dissatisfied with his wages, hours of labor, or working conditions, found it a comparatively simple matter to emigrate to the West, or to take the place of another laborer who was prepared to make the trip.

**153. The Westward Movement and Manufactures.**— Closely associated with the movement of the people westward and with the utilization of the more fertile soil of the Mississippi Valley, were the growth and spread of manufactures particularly in the eastern states. Inasmuch as the great majority of settlers went into agriculture, there arose a much heavier demand for manufactured goods than the small plants that had been established in the West could supply. Consequently eastern manufacturers increased their output so as to

supply the western markets. Thus there was developed a territorial division of labor: in the West the people gave their attention primarily to agriculture, exchanging their wheat, corn, and meat for eastern iron, cloth, and other manufactured goods. Without these western markets it is unlikely that eastern manufactures would have grown as they did, for American manufactured goods were in little demand in foreign countries.

**154. The Westward Movement and the Accumulation of Capital.**

— As the people spread over the country and took up the land as independent farmers they naturally invested their capital in equipment and improvements and borrowed as much more as they could. The supply of capital for this purpose was limited, however, for the pioneers usually had little ready money, and eastern capitalists hesitated about placing loans in the West. Fortunately the fertility of the western land made agriculture so profitable that farmers were able and eager to pay more interest for capital than they could possibly have paid had they cultivated poorer land. Thus the great desire of the western farmers for capital coupled with their ability to pay well for its use caused the interest rate to be higher all over the country than it would have been had there been no movement to the West.

**155. The Westward Movement, Banking, and Currency.**— This scarcity of money was a serious obstacle to the development of the West. The people of that section suffered for a lack of a medium of exchange with which they could carry on business among themselves. Consequently, they encouraged the establishment of state banks which should supply such a medium, and at the same time lend them money for enlarging their enterprises and improving their farms. The establishment of these western banks, as will be noted in a later chapter, influenced materially the financial history of the nation. The country was flooded with cheap money; banking became speculative; and the people as well as the states themselves plunged into reckless expenditures. Thus the demands of the West for more money, which began with the best of intentions, saddled most of the

states with heavy debts, made business uncertain, encouraged speculation, and contributed materially to a nation-wide panic in 1837.

**156. The Westward Movement and Trade.**—The westward movement was largely responsible for many improvements in means of transportation and communication, and for the undertaking of vast systems of internal improvements. The first settlers had hardly crossed the mountains before agitations were begun to improve the roads between the East and the West. During the first half of the nineteenth century, canals, turnpikes, and railroads were built, wagon roads improved, and the rivers made safer for navigation. Every western community acted as if its industrial well-being depended on trading with the East. Western states spent fortunes in digging canals and building railroads; the national government, for military as well as for industrial reasons, donated money and land to the same end. After 1840 corporations took up the work of building railroads, while the states gave more attention to wagon roads. In all these activities there was but one purpose in view — the establishment of closer relations between the Atlantic seaboard and the Mississippi Valley.

**157. The Westward Movement and Agriculture.**—The most apparent effect of the westward movement was on agriculture. The fertile land of the Mississippi Valley furnished the settlers with an abundance of cheap food products. Its effect on eastern agriculture was felt after the means of transportation had been improved so as to make profitable the shipment of grain and meats to the East. The New England farmer, for example, soon found that he could not compete with the wheat growers of Ohio. Consequently he was compelled either to abandon farming or to change the character of his crops. Not only in New England but in many other sections along the coast both movements went on. Occasionally a farmer sold his land at a nominal price and went to the towns to work. Sometimes the farmer's children went into the factories and actually contributed from their wages to the support of the parents who remained on the farm. More often the farmer ceased to grow grain and turned his

attention to intensive farming; he produced vegetables, fruits, and berries for the markets of the nearby cities, leaving to the western farmers the growing of crops which required more extensive methods. The direct effect of western agriculture on eastern agriculture was the lowering of prices of food stuffs and a corresponding decline in agricultural rents, for the ability of farmers to pay rent depended then, as now, on the prices received for products.

**158. The Westward Movement and National Characteristics.—**The influence exerted by the western movement on the manners, customs, and habits of the people was deep and lasting. From whatever eastern state the people had gone they found it necessary in their western homes to adapt themselves in such matters as dress and



The Beginning of a Homestead

An artist's conception of the pioneer as he began to clear away the forest for his new home in the West.

methods of living to frontier conditions. In the West each settler found many of his neighbors to be from other states and sections, each with his own ideas of life, each possessed of the notions, prejudices, and provincialism of his old home in the East. Contact with each other and with the new conditions under which they were forced to live, lessened the differences among them, and in so doing gave the people traits of character far removed from the traits possessed by any group of them at the time of their emigration westward. Thus there grew up in the Mississippi Valley, as a direct result of the westward movement, a people distinguished for frankness and hospitality, for carelessness in speech, dress, and manners, and for a disregard of law and authority.<sup>1</sup> Some have even said that the introduction of the "spoils system" in the national government during Jackson's administration was the result of western influence. With improvements in means of travel and communication, the West and the East came in closer touch. The customs and manners of the people of one section modified those of the people of the other. The result was a national character in the making of which the westward movement played a prominent part.

**159. The Westward Movement and National Politics.**— Perhaps the first influence exerted on the country as a whole by the settlement of the West was political. In the election of presidents and in national legislation, the West soon became an important factor; and with the increase of population in that region its importance grew. Some of the eastern sections which had been prominent in colonial and revolutionary days are believed to have lost their political supremacy with the settlement of the West.

From 1810 to 1860 the West furnished many of the nation's political leaders. Perhaps the best known were Henry Clay of

<sup>1</sup> The western people were not altogether to blame perhaps for their disregard for law and authority. The frontier environment tended to make each man a law unto himself. Thus the Whisky Rebellion in western Pennsylvania (1794), was merely a protest against what the people there considered an encroachment on their private rights; and Burr's Conspiracy was regarded sympathetically in many sections of the West by people, not disloyal, but rather unmindful of their obligations to a government which to them appeared vague and far removed from their lives and experiences.



Kentucky, Andrew Jackson and James K. Polk of Tennessee, William Henry Harrison of Ohio, Jefferson Davis of Mississippi, Thomas H. Benton of Missouri, Stephen A. Douglas and Abraham Lincoln of Illinois. Much of the national legislation was enacted as a result of the demands and needs of the West. Slavery compromises, land laws, federal aid for internal improvements, Indian regulations, river improvements, all made for the development of the Mississippi Valley.

The relative importance of the West in political matters is indicated by the strength of the western states in Congress. In the apportionment based on the Second Census (1800), western Representatives numbered nine out of a total of 142; twenty years later the ratio was 47 to 213. So rapidly did the West grow in population during the next thirty years that at the outbreak of the Civil War its representation in the Lower House of Congress equaled that of the East.

#### ORAL AND WRITTEN EXERCISES

1. Locate New Orleans, Pittsburgh, Cincinnati, Wheeling, Louisville, St. Louis, Chicago, San Francisco, Kansas City, St. Joseph, Omaha, Des Moines, Portland, Sante Fe.

2. Show on map the sources of the following rivers: Potomac, James, Kanawha, Ohio, Cumberland, Tennessee.

- 
3. What is meant by the frontier line? How was its location determined?
  4. Describe the characteristics of the different classes of frontier population.
  5. How did the public domain affect the settlement of the West?
  6. Why did the government reduce the price of public land?
  7. What was the relation between the westward movement and slavery?
  8. How did the westward movement affect New England agriculture?
  9. What is meant by the expression, "territorial division of labor"?
  10. What was the effect of the westward movement on politics.

- 
11. Suggested topics for oral or written report:

The Growth of the Territory of the United States.

Land Speculation in the West.

The Place of the Westward Movement in American History.

## 12. Important dates:

1803 — Louisiana Purchase.

1820 — Price of public land reduced to \$1.25 an acre.

**SUPPLEMENTARY READING****Western Population.**

Statistical Abstract, 1914, pp. 25-27.

Tenth Census, Volume on Population, pp. xvi-xviii.

**Political Importance of the West.**

TURNER, F. J. The Rise of the New West (The American Nation, vol. XIV), pp. 67-83.

WILSON, W. Division and Reunion (Epochs of American History, vol. III), pp. 15, 16, 24-26, 42, 43, 109, 212.

**The Westward Movement and Industry.**

TURNER, F. J. The Rise of the New West (The American Nation, vol. XIV), pp. 96-106.

BOGART, E. L., and THOMPSON, C. M. Readings in the Economic History of the United States, pp. 357-360.

**History of the West.**

GARRISON, G. P. Westward Extension (The American Nation, vol. XVII), especially pp. 3-42.

TURNER, F. J. The Rise of the New West (The American Nation, vol. XIV), especially pp. 84-95, 111-133.

**CHAPTER XI**  
**THE PEOPLE IN POLITICS AND INDUSTRY**  
1790-1860

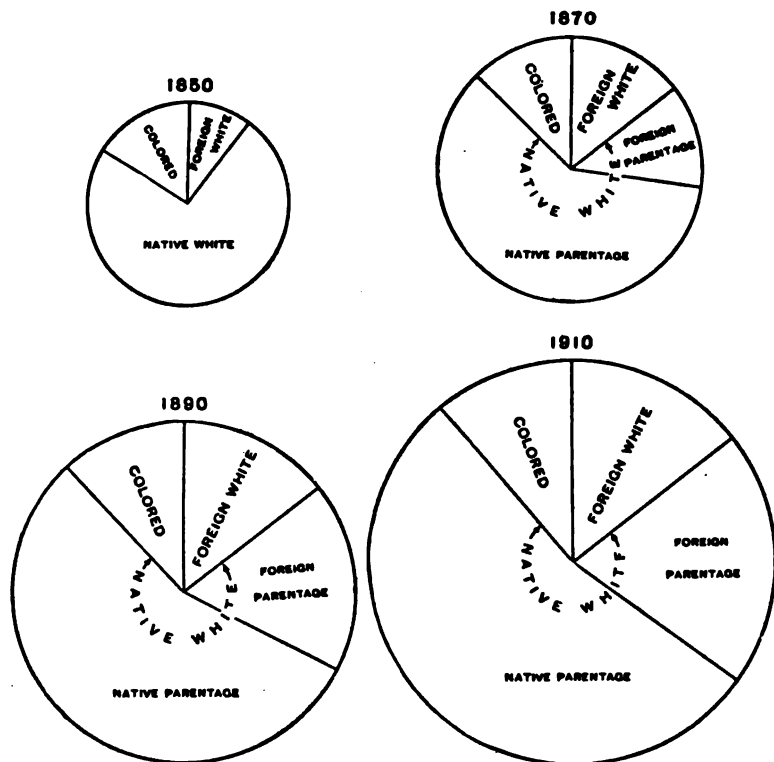
**I. CHARACTER AND GROWTH OF POPULATION**

**160. National Characteristics.**—During the half century preceding the Civil War the people of the United States conquered, as it were, a wilderness larger in extent than all western Europe. They built cities, erected mills and factories, developed a merchant marine equal to that of Great Britain, constructed canals and railroads, and brought millions of acres of land under cultivation. The increase in population was slightly less than five-fold. Never before in any other country had developments of such magnitude been accomplished in the same length of time. These accomplishments left a deep and lasting impress on the character of the people by causing them to lay great stress on mere size and to devote their best energies to the accumulation of wealth. The fastest trains, the longest railroads, the tallest buildings, the largest ships, and the greatest wealth, appeared to the typical American to be the highest objects of attainment. In short, to use the words of a foreign observer, "they valued everything by material success." It was repeatedly pointed out in defense that the task of conquering the continent had left little time for leisure and the refinements of life; and that in time, art galleries, grand opera, public libraries, and higher education would become as general and as highly appreciated in America as they were in Europe.

**161. Growth of Population.**—The increase in population between 1800 and 1860 was phenomenal, amounting to about 35 per cent each decade; that is, the number of people doubled every twenty-three years. At the beginning of the century the total population of the United States was 5,305,937, which equals approximately the present

## CHARACTER AND GROWTH OF POPULATION 181

population of the city of New York. During the next twenty years the number grew to 9,638,191. Twenty years later (1840) it was 17,069,453; and in 1860, 31,443,322. As we have seen in discussing



Increase of population from 1850 to 1910

Appropriate circles to represent the population of other census years should be drawn by the student.

the westward movement, the growth of population in different sections of the country varied considerably. This variation can best be seen by noting the ranks of all the states in 1800 or at the time of their organization, and also in 1860, together with the changes of typical states from decade to decade.

## RANK OF STATES IN POPULATION

RANK	1800	1810	1820	1830	1840	1850	1860	RANK
1 Virginia							New York	1
2 Pennsylvania							Pennsylvania	2
3 New York							Ohio	3
4 North Carolina							Illinois	4
5 Massachusetts							Virginia	5
6 South Carolina							Indiana	6
7 Maryland							Massachusetts	7
8 Connecticut							Missouri	8
9 Kentucky							Kentucky	9
10 New Jersey							Tennessee	10
11 New Hampshire							Georgia	11
12 Georgia							North Carolina	12
13 Vermont							Alabama	13
14 Maine							Mississippi	14
15 Tennessee							Wisconsin	15
16 Rhode Island							Michigan	16
17 Delaware							Louisiana	17
18 Ohio	18 La.						South Carolina	18
19 Mississippi		19 Ala.					Maryland	19
20 Indiana							Iowa	20
21							New Jersey	21
22	22 Mo.						Maine	22
23	23 Illinois						Texas	23
24	24 Mich.						Connecticut	24
25		25 Ark.				25 Texas	Arkansas	25
26							California	26
27				27 Florida			New Hampshire	27
28				28 Iowa			Vermont	28
29				29 Wis.	29 Calif.		Rhode Island	29
30							Minnesota	30
31							Florida	31
32							Delaware	32
33						33 Oregon	Kansas	33
34							New Mexico	34
35						35 Minn.	Oregon	35

The foregoing chart shows three distinct developments in the growth of population. (1) New York, Pennsylvania, Massachusetts, and Virginia were the only original states to retain first-rank positions. (2) The western states south of the Ohio River made large gains.

## CHARACTER AND GROWTH OF POPULATION 183

(3) The most notable growth was in Ohio, Indiana, Illinois, and Missouri.

The shifting of the population westward is also shown by the movement of the center of population from the coastal regions of Maryland into the Ohio Valley. In 1800 the center of population was near Baltimore; in 1840 it was not far from the center of the present state of West Virginia; and in 1860 it was south of Chillicothe, Ohio, near the Scioto River. (See page 363.)



*By Courtesy of Henry Collins Brown*

Fulton Street, New York, in 1849, showing the Herald buildings on the corner of Nassau Street, and the first offices of the Sun opposite.

The greatest densities of population were along the North Atlantic coast. In the middle states, including Maryland and Ohio, there were, in 1860, about 70 people to the square mile; in New England, 50, and in the South and West, not including Texas and California, about 17. In the three manufacturing states of New England,—Massachusetts, Connecticut, and Rhode Island,—however, the density of population exceeded 125 to the square mile. Considering the United States as a whole with its great areas of unsettled land the number of inhabitants to the square mile at the outbreak of the Civil War was about 10.

**162. City Population.**—As is to be expected, the westward movement and the predominance of agriculture combined to limit the growth of large urban centers. In 1800 there were but four cities of any importance in the United States: Philadelphia, 69,403; New York, 60,489; Baltimore, 26,114; and Boston, 24,937. At that time less than 5 per cent of the people lived in towns having a population of 3000 or more. In other words, more than nineteen-twentieths of the people lived on farms or in small towns or villages. Washington City had a population of but 3,210, while Chicago, Cincinnati, San Francisco, Minneapolis, Indianapolis and scores of other prominent cities of the present day had not yet been started.<sup>1</sup>

By 1810, New York was the largest American city, and ever since has maintained that position. Until after the Civil War, Philadelphia was second in size. The two decades from 1830 to 1850 saw a notable increase in urban population. At the latter date six cities had each a

<sup>1</sup> The following statistics show the growth of some typical American cities from 1800 to 1840:

	1800	1810	1820	1830	1840
Chicago . . . . .	....	....	....	....	4,470
Cincinnati . . . . .	....	....	9,642	24,831	40,338
Cleveland . . . . .	....	....	....	1,076	6,071
Detroit . . . . .	....	....	1,422	2,222	9,102
Indianapolis . . . . .	....	....	....	....	2,692
Louisville . . . . .	359	1,357	4,012	10,341	21,210
Nashville . . . . .	....	....	....	5,566	6,929
Richmond . . . . .	5,735	9,735	12,067	16,060	20,153
Washington . . . . .	....	8,208	13,247	18,826	23,364

population in excess of 100,000. During the next ten years three more, Brooklyn, St. Louis, and Chicago, attained that distinction. In 1860 the five largest cities in the United States were:

City	Population
New York . . . . .	805,651
Philadelphia . . . . .	562,529
Brooklyn . . . . .	266,661
Baltimore . . . . .	212,418
Boston . . . . .	177,812

**163. Distribution of Population among Industries.**—As the distribution of the people between city and country indicates, the great majority of the people engaged in agriculture; in fact, in 1800, something like 90 per cent of the people lived on farms; of the remainder, a considerable portion lived in small towns and villages, doing agricultural work in the summer. As the population grew, two notable changes occurred in the number of workers in industry. (1) There was an increase in the *absolute* numbers of persons engaged both in agriculture and manufactures. (2) There was a *relative* decline in the number of persons engaged in agriculture — that is, the rate of increase of country population was less than the rate of increase of the total population. Thus by 1850 a little less than one-half of all the people working in gainful pursuits were on the farms; in 1860 the ratio was lower yet — two to five. We may conclude, then, that while the country was primarily agricultural before the Civil War, the relative number of persons engaged in manufactures, transportation, and trade grew rapidly; and that it was but a question of time until agriculture would become secondary as a means of giving employment to American workers.

**164. Experiments in Communism.**—Between 1820 and 1850 many experiments in communism were made in the United States. Colonies were formed in which everybody worked, held property in common, and drew supplies from a common storehouse. One of these colonies was established at New Harmony, Indiana, in 1826 by Robert Owen, a successful Scotch manufacturer, who had become



disgusted with industrial conditions in his native country.<sup>1</sup> Owen came to America in 1825. Here he spoke to large audiences in the eastern cities, and even before Congress, concerning his plans for helping the working people. He invited the "industrious and well-disposed of all nations to join him." He showed his own faith in the enterprise by spending some \$200,000. After a year or two the experiment proved a failure, and, disappointed, Owen returned to England. The founders of the New Harmony colony had high and lofty ideals. They opposed child labor, encouraged education and culture, and believed firmly in equality of industrial advantages. The colony failed, not because its founders were not moved by principles of justice and equality, but rather because of the indolence and selfishness of their followers.

A large group of communistic settlements were made in the United States as a result of the teachings of a Frenchman, Charles Fourier. His plan was enthusiastically received in this country. It provided (1) that each settlement should occupy a square league of land and contain about 1,500 people called a phalanx; (2) that each person should choose his own work; (3) that the most irksome labor should be the highest paid.

For a time Fourierism was regarded by many as a cure for all social and industrial maladies. Horace Greeley, Wendell Phillips, and Nathaniel Hawthorne helped to establish Brook Farm near Boston in 1841.<sup>2</sup> Wisconsin and New York had many such communities. Everywhere they failed to accomplish fully what was expected of them.

**165. Education and Literature.**—Quite as important, perhaps, as the growth of population and its distribution over the country and among the various industrial pursuits, were the development of schools and education and the beginning of a national literature.

<sup>1</sup> At New Lanark, Scotland, Owen as manager and part owner of a factory had succeeded in shortening the working day, in prohibiting child labor, and in establishing schools, but he was unable to carry out his visions of economic and social reform.

<sup>2</sup> For an interesting account of life at Brook Farm, see Hawthorne's *Blihedale Romance*.

The idea of erecting free schools for elementary education had its beginning, as was noted in another connection, in colonial New England. From there it spread until by 1860, the "school-house was an emblem of American life." The national government provided that the sixteenth section — to which was added later the thirty-sixth section — of each township should be school lands. State legislatures often gave lands to the public schools, donated money, and, what was more important, provided local taxation for their support.

By 1860 the policy of supporting elementary schools by local taxation had passed the experimental state; it had become an established fact. Thus the growth of the common school system and the development of American democracy went hand in hand. Democracy strove through the public schools to equalize opportunity; its very existence depended on free



An Early Western Schoolhouse

education. How clearly these two developments were associated in the minds of the people will be realized by recalling the fact that until recently every school boy was urged to be studious and diligent on the ground that some day he might become President of the United States.

Nor was higher education neglected. Congress donated a portion of the proceeds from the sale of public lands for the maintenance of "seminaries." The most important financial contributions to higher education, however, were made by individuals and churches. In the East the older colleges were strengthened and new ones endowed. West of the mountains, numerous institutions of collegiate rank sprang up. In the South military schools were more popular. Almost without exception these colleges and schools offered no better educational advantages than do our modern high schools. Hence we sometimes wonder at the "tender age" at which some of the students

were graduated. The university, which has come to dominate higher education in American life, was unknown in this country before the Civil War.<sup>1</sup>

American literature of the ante-bellum days was characterized by its excellence. It ranked well with contemporary English literature, and much of it soon became almost as well known abroad as at home. Every school boy has read Longfellow's *Village Blacksmith*, Bryant's *Thanatopsis*, Whittier's *Maud Muller*, and Poe's *The Raven*. Equally well known were Washington Irving, creator of the delightful Rip Van Winkle and Ichabod Crane; and James Fenimore Cooper, who was the first American novelist to be read to any considerable extent in Europe.<sup>2</sup> Other lines of literary activity were not neglected. In 1825 Daniel Webster delivered his famous Bunker Hill speech; three years later (1828) Noah Webster published the first edition of his dictionary; in 1837, Ralph Waldo Emerson gave to the world his *American Scholar* address, which is often referred to as the intellectual Declaration of Independence of American scholarship.<sup>3</sup> Among historians were George Bancroft, whose *History of the United States* still holds high rank; and William H. Prescott, author of the *Conquest of Mexico*.

Another bit of evidence which shows the spread of education and culture was the growth of newspaper and magazine circulation. At the beginning of the century, newspapers and magazines were few and their circulation small. With improvements in mail facilities and with an increase in wealth the people demanded more and better news sheets. In 1811, *Niles' Register* was established at Baltimore for the purpose of bringing together weekly the most important news

<sup>1</sup> In 1850 the total number of educational institutions in the United States was 87,302, the number of teachers was 105,904, the number of pupils was 3,644,928, and the total aggregate income for their support amounted to \$16,138,184. On June 1, 1860, the total number exclusive of those in Maryland and the District of Columbia was 113,006. They employed 148,742 teachers, contained 5,417,880 pupils and enjoyed an annual revenue of \$33,990,482.

<sup>2</sup> Cooper wrote many interesting novels, among which *The Spy*, *Deerslayer*, *Last of the Mohicans*, *The Prairie*, *Red Rover*, and *The Pilot* are well known.

<sup>3</sup> Emerson's American Scholar Address may be found in any complete edition of his works. It is also in *Modern Eloquence*, vol. VIII, pp. 419-438.



**166. The People in Politics.**—Like education, politics and political affiliations affected the development of industry. One party, for example, favored a protective tariff, or high internal taxes, or public aid for internal improvements, or restrictions on immigration, or a liberal policy of granting public lands. The growth of the country in population and wealth often depended on party politics, and on the ideas and beliefs of political leaders. For that reason an explanation of industrial developments, or lack of them, often lies in an understanding of political issues.

With the beginning of the federal government in 1789, the people divided over the question of strict and loose construction of the Constitution. The Federalists believed in a strong central government and loose construction; the anti-Federalists in strong state governments and strict construction. During the first dozen years the former were in power. They enacted tariff laws with some degree of protection (1789-1802); established a United States bank (1791); placed the credit of the United States on a sound basis (1792);<sup>1</sup> and provided for a national coinage (1792). Unfortunately for the Federalists as a party, however, these policies, and others, ran counter to the opinions held by a majority of the people, and as a result they lost control of the government. The Alien and Sedition Laws (1798), for instance, were extremely unpopular and suffered violent attacks in the Virginia and Kentucky Resolutions (1798). Two years later the anti-Federalists, now known as Republican-Democrats, elected Jefferson president and secured control of the government. So great was the change that Jefferson's election is often referred to as the

<sup>1</sup> Possibly Hamilton's greatest achievement was placing the credit of the United States on a sound basis. On January 14, 1790, he submitted a report calling on Congress to make provision for the principal and interest of the public debt in order to restore the public confidence. Opposition began to develop, however. Even Madison wanted to find out exactly what the holder of a certificate of debt had paid for it, to pay the present holder that amount, and to turn over the balance to the original holder. Hamilton, however, convinced Congress that in order to place further loans, bonds would have to be paid in full to the persons holding legal titles; hence that body passed an act which provided for the prompt payment of the interest and the gradual redemption of the principal. The Secretary's course was soon justified, for the securities of the United States began to rise, and in December, 1791, they reached par.

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"Revolution of 1800." Between 1800 and 1816 both parties practically disappeared, and most of the people came to be known as Republican-Democrats. By 1820 party politics had almost died out; hence the "era of good feeling" of that period.

Meanwhile new issues were arising, around which new parties were soon to be formed. In 1830, Jackson declared his opposition to government aid for internal improvements. Two years later the tariff all but caused civil war. The same year President Jackson vetoed the Bank Bill.

At about this time the two political parties that were to divide the people for the next twenty years and more came into existence; the Democrats about 1828, the Whigs in 1834. Fairly well-defined issues divided them. The Democrats (1) stood for a moderate tariff, (2) opposed federal aid for internal improvements, (3) opposed the establishment of a United States bank. The Whigs, on the other hand, favored (1) a protective tariff, (2) federal aid for internal improvements, (3) the establishment of a United States bank. Other issues of an economic nature arose from time to time. In 1840 the Whigs won the day on the ground that Van Buren's administration had been responsible for the Panic of 1837. Four years later the Democrats were returned to power largely through their declaration for the annexation of Texas.

### POLITICAL ISSUES, 1836-1852

Year	Candidates		Issues
	Democratic	Whig	
1836	<i>Martin Van Buren</i>	Hugh L. White W. H. Harrison	U. S. Bank Jackson's exoneration
1840	Martin Van Buren	<i>W. H. Harrison</i>	Panic of 1837 Tariff U. S. Bank
1844	<i>James K. Polk</i>	Henry Clay	Tariff Annexation of Texas Slavery
1848	Lewis Cass	<i>Zachary Taylor</i>	Slavery Mexican War Independent treasury Tariff
1852	<i>Franklin Pierce</i>	Winfield Scott	Slavery Compromise of 1850

NOTE.—The names of the successful candidates are italicized.

## II. FOREIGN IMMIGRATION

**167. Causes Affecting Foreign Immigration.**—The causes affecting foreign immigration to the United States were two-fold. First, European conditions were such as to make living there unpleasant to many. In all the countries were men out of harmony with their respective governments. They desired to go where they might have more political freedom. Consequently, many of them emigrated to America, which was to them a country of liberty. Industrial conditions also served to encourage emigration. In none of the European countries was land easily acquired by the masses; and in all of them the working people found living conditions hard. To them, America was not only a country of liberty but also a country of opportunity. Occasionally famine sent emigrants in greatly increased numbers to the United States. Less important, perhaps, as a motive for emigrating was the desire here and there of religious bodies to escape persecution.

The second cause for foreign immigration, by far the most important, was the industrial opportunity offered by the almost free lands of the United States. Here the immigrant could become a landed proprietor in a few years at most. Those who did not care to push westward and go on the public lands found ample opportunities to work in the eastern cities. Thus foreign immigration to the United States was largely the result of two forces. One, a pushing force, drove, as it were, the emigrant from his native land to seek more freedom and greater opportunities. The other, a pulling force, brought him to America, where he could find the freedom and the opportunities.

**168. Number, Nationality, Occupation, and Age of Immigrants.**—Between 1790 and 1860 the number of foreign immigrants to the United States exceeded 5,000,000. For the period prior to 1819, when the national government began to keep records of immigration, the number of alien arrivals is estimated to have been about 250,000. During the decade ending with 1830 the number averaged about 15,000 annually, and during the next decade about 60,000. The

forties and fifties saw a notable increase in immigration owing to the heavy demand for labor in the United States, to the potato famine in Ireland in 1846, to numerous political revolutions in Europe in 1848, and to the discovery of gold in California in 1848.<sup>1</sup> The high water mark for the period before the Civil War, was reached in 1854, when the number of immigrants totaled 427,833, a point not again attained until 1873.

More than four-fifths of the immigrants arriving between 1820 and 1860 were from the United Kingdom and Germany. That is, the total number from these two sections alone exceeded 4,000,000. France, Switzerland, British America, and the West Indies contributed another half million. During the decade 1850-1860, Chinese immigration aggregated 41,443 though the total number from that country during the previous three decades had been less than 50. As yet the immigration from Russia, Italy, and Greece was insignificant, the total number from these countries for the forty years being about 13,000.

The immigrants were largely farmers, laborers, and mechanics.

<sup>1</sup> Three general causes of immigration have played an important part in the settlement of our country: religious, political, and economic. The first two were important in our early history, but for the last seventy-five years the predominant cause has been economic. The European peasant comes to America because he thinks that he can get a larger net return for his labor here than in his home country. The Irish population depended largely on the potato crop for food, but in 1845 the potato blight attacked the plants and the crop was almost a total failure. Possibly three hundred thousand people died from starvation or fever. The poor crops continued, and thousands of suffering Irish sought a refuge in the United States.

An excellent example of a political cause of immigration is found in the "Year of Revolution," 1848. At that time Italians, French, Austrians, and Germans fought for more liberal government, but with little success. The middle-class liberals in Germany were placed in a rather undesirable position; hence thousands of highly desirable citizens came to this country.

The Revolution of 1848 in connection with the Irish famine was responsible for the high water mark of 1854.

Another movement, less significant perhaps, was that of the Chinese towards California. The Opium War of 1840 had caused an increase of Chinese taxes, had disturbed the laboring classes, and had given some slight knowledge of western ideals. The precipitating cause was "the Golden Romance" of California. The Taiping rebellion of 1850 involved the inhabitants of southeastern China in poverty and ruin. Terrors of war, famine, and plundering drove thousands out of the country. By the close of 1852 nearly 25,000 Chinese were on the Pacific coast, chiefly in California.



Many were but children. A third of the total number were under 15 years of age, a fifth were between 20 and 25, while but one-tenth exceeded 40. Thus the typical immigrant came to the United States at the time of life when he could be of the greatest service in building up the industries of the country.

**169. Distribution of Foreign Population.**— It is difficult to determine with any degree of accuracy the early distribution of foreign population among the states, and between urban centers and country districts. The Germans and English were inclined to go into the western states while the Irish settled along the Atlantic coast.

#### STATES WITH LARGE FOREIGN POPULATION, 1860

State	Native Population per cent	Foreign Population per cent	English per cent	Irish per cent	German per cent
Massachusetts . . . .	78.87	21.13	1.94	15.07	0.81
Rhode Island . . . .	78.58	21.42	3.64	14.48	0.47
New York . . . . .	74.27	25.73	2.74	12.84	6.61
Pennsylvania . . . .	85.19	14.81	1.60	6.95	4.74
Ohio . . . . .	85.97	14.03	1.40	3.28	7.19
Wisconsin . . . . .	64.31	35.69	3.94	6.44	15.97

Some of the cities by 1860 had large foreign populations. In San Francisco, St. Louis, and Milwaukee less than one-half of the people were native born Americans; while the population of New York and Chicago was almost equally divided between foreigners and natives.

#### FOREIGN POPULATION OF PRINCIPAL CITIES, 1860

City	Total Foreign Population	English	Irish	German
New York . . . . .	383,717	27,082	203,740	119,984
Philadelphia . . . .	169,430	19,278	95,548	43,643
Chicago . . . . .	54,624	4,354	19,889	22,230
St. Louis . . . . .	96,086	5,513	29,926	50,510
Milwaukee . . . . .	22,848	1,265	2,100	15,981

### III. WEALTH AND CONDITIONS OF LABOR

**170. American Prosperity.**— As has been repeatedly pointed out in several other connections, American families were more prosperous and lived better than European families of corresponding classes. In other words, the standard of living in the United States was rela-

tively high. Foodstuffs were cheap and abundant, homes were well built and well heated, and, what was more important, the people possessed initiative and intelligence to a high degree. Here there were no extremes. The multi-millionaire was unknown, and at the outbreak of the Civil War few men could boast of being worth even a million dollars. Beggars were scarcely more numerous than millionaires. Many an English traveler directed attention to the fact that nowhere in America had he been solicited for coins. The situation could not have been otherwise: the abundance of government land made living conditions easy.

**171. Extent and Forms of Wealth.**—The growth of American industry was roughly indicated by the increase of the wealth of the people. In 1850 it was estimated that the total wealth (real estate and personal) of the United States was \$7,135,780,000 or \$307.69 per capita. During the next decade the increase was more than 125 per cent. Thus in 1860 the total wealth was \$16,159,616,000 or \$513.93 per capita. The largest relative increases were in the West, where the value of new land increased in some localities as much as ten-fold during the decade.

The relation of real estate to personal property varied in 1860 from section to section. In New England the value of real estate was equal to about one-half the total value of all property. In New York, Pennsylvania, and the old Northwest Territory it was about three-fourths. The cotton planting states, owing to the presence of negro slaves and to the ease with which they could be assessed, possessed greater wealth in personal property than in real estate:

#### ASSESSED VALUES IN TYPICAL STATES, 1860

State	Real Estate	Personal Property
Massachusetts . . . . .	\$475,413,165	\$301,744,651
New York . . . . .	1,069,657,080	320,806,558
Iowa . . . . .	149,433,423	55,733,560
Mississippi . . . . .	157,836,737	351,636,175
South Carolina . . . . .	129,772,684	359,546,444

**172. Labor and Labor Organizations.**—Most of the present day labor problems were unknown prior to 1860. Establishments were

small and wages relatively high. Each proprietor usually worked with his own men, knew them personally, and had their confidence and respect. It is true that the hours of labor were long, and the conditions under which laborers worked not ideal. At that time, however, the world regarded a day's work as 12, 13, and even 14 hours, and paid no attention to sanitation or safety devices. Consequently, under conditions that would be intolerable at the present time, the industry of the country was developed. There were few labor organizations<sup>1</sup> at that time, and strikes and lockouts were almost unknown.

### ORAL AND WRITTEN EXERCISES

1. Which five states led in population in 1790? 1800? 1810? 1820? 1830? 1840? 1850? 1860?
2. Name the five leading cities in 1860.
3. Why did the New Harmony experiment fail?
4. What were the plans of Fourier?
5. What provisions were made by Congress for education?
6. Name the best known ante-bellum writers.
7. What political parties divided the people in 1800?
8. What was the "era of good feeling"?
9. What were the political issues in the presidential campaign of 1836? of 1840? of 1844? of 1848? of 1852?
10. What caused foreigners to emigrate to the United States?
11. What nationalities came in the greatest numbers?
12. In which states did foreigners settle in greatest numbers?

- 
13. What was the potato famine in Ireland?
  14. Who was Napoleon III? Charles Dickens?
- 

15. Suggested topics for oral or written report:  
     Growth of Population, 1800-1860.  
     Foreign Elements in the Population, 1860.  
     Condition of Labor in the United States Prior to the Civil War.

<sup>1</sup> Although a few trades, as the printers (1786) and the cord wainers (1794), in New York and Philadelphia were organized, there was no indication of a general movement until the second quarter of the nineteenth century.

## 16. Important dates:

1790 — First Census of the United States.

1834 — Beginning of the Whig party.

1848 — Discovery of gold in California.

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CHAPTER XII  
MANUFACTURES AND THE TARIFF  
1815-1860

**I. GENERAL DEVELOPMENT OF MANUFACTURES**

**173. Some Important Factors in the Development of Manufactures.**— In the preceding chapter we have noticed two important factors in the introduction and development of manufactures — namely, the progressive spirit of the people, and the abundance of natural resources. Other factors, however, made their contribution during the period before the war. An increase in population through natural causes and by immigration supplied labor for manufacturing enterprises, and created a demand for their products. The settlement of the West likewise increased the demand for manufactured goods. The farmers there had better land, and could produce more cheaply than the farmers east of the mountains. Hence they not only gave practically all of their time and attention to agriculture, but, what was not less important, by cultivating superior land they forced many eastern farmers off the poorer lands into manufactures. With the spread of settlement went improved means of transportation, which facilitated the exchange of products between the West and the East. Thus a territorial division of labor was encouraged, whereby each section could devote its energies to the most profitable employment. Other factors were protective tariffs, repeal of the corn laws by Great Britain in 1846,<sup>1</sup> increased facilities in banking, and the discovery of gold in California in 1848.

**174. Inventions and Patents.**— The spirit that prompted improvements in manufactures was reflected in the inventions and discoveries of the time. Thousands of patents were issued on all sorts of devices and improvements. Many of them, to be sure, were

<sup>1</sup> The British Corn Laws imposed a tariff on imported corn (wheat).

impracticable, but many were of the most useful character, tending to raise and improve the standard of living of the people. They related: (1) to more productive methods in manufactures; (2) to labor saving devices on the farm and in the home; and (3) to greater convenience in methods of travel, communication, and transportation. In one group we find, for example, improvements for making cloth, boots and shoes, and iron; in another, the reaper, and the sewing machine; in the third, the telegraph and various applications of steam to transportation. In any case they affected favorably the development of manufactures; directly, by improving methods of production; indirectly, by giving employment to manufacturing establishments and by facilitating trade and exchange.<sup>1</sup>

The government, in common with all civilized nations, recognized the desirability of encouraging the spirit of invention. Accordingly in 1790, Congress enacted a patent law whereby inventors were given a monopoly, for a limited time, on the production and sale of their inventions. At first the monopoly extended for a period of fourteen years. In 1836 a new patent law provided that inventors in certain cases might have their monopolies extended seven years, making twenty-one years in all. Later (in 1870), the original term of fourteen years was increased to seventeen.<sup>2</sup> The government grants also exclusive rights to the use of designs, and trade-marks; and issues copyrights for books, songs, and other printed matter.

In granting patents, which are usually considered as private legal monopolies, the government rewards many men who devote their time and energies to the study of methods of improvement. Some of them, perhaps, need no such encouragement, and some are robbed of their reward by unscrupulous manufacturers. In general, however, inventors are like other people; they work for a reward quite as much as for the love of the work itself.

<sup>1</sup> Available statistics show that each year towards the close of this period marked an increase over the preceding year in the number of patents granted. In 1840, 473 were issued; in 1850, 993; in 1855, 2,013; in 1860, 4,778.

<sup>2</sup> The life of a patent is usually shorter in Europe than here, but renewal privileges often make the term nearly as long. The term in France, Germany, and Austria is fifteen years, in Great Britain, it is fourteen years.

**175. Some Important Inventions.**— Several inventions made during the period were epoch-making in their importance. In 1844, Charles Goodyear patented a process for vulcanizing rubber which at once made possible the use of waterproof shoes and clothing. Two years later (1846), Elias Howe made a sewing machine that would actually sew, and thus paved the way for a revolution in garment making. The next year (1847), Richard Hoe invented the rotary printing press, thereby making possible an increased production of books and newspapers at a decreased cost. Fully as important were the inventions of the reaper and the magnetic telegraph, but discussion of them is deferred to later chapters.

**176. The Factory System.**— Perhaps the most significant event in the development of American manufactures was the development of the factory system. This system differed in several important respects from the older system in which the work was carried on in the households or, at best, by skilled mechanics. (1) Machines and



Merrimac Mills (and Boarding Houses), Lowell, Massachusetts, 1840

workers were assembled in relatively large numbers. (2) Division of labor was made possible to a much greater extent. (3) Overseers, or bosses, directed the workers. (4) Distinctions between employer and employee increased. (5) Women and children entered into manufactures. These features, and others as important, characterized the new system. At first the differences between the old and the new were slight. As time went on, however, they became greater and greater until the factory and the mill had taken over a large part of all the manufactures of the country.

The manufacturing plants established during the earlier years of this period were relatively unimportant. The capital of each plant was small, its workers few in numbers, and the demand for its product local. It was likely to be owned by an individual, who gave his time and attention to its direct management. In 1810 it was exceptional for any one of these plants to employ a capital as large as \$100,000. Even as late as 1860 the average capital of New England establishments was less than \$15,000, while in the middle states it was only about \$9,000. Taking the United States as a whole, the average manufacturing plant in 1860 had a capital of about \$7,000, produced annually goods valued at a little more than \$13,000, and gave employment to seven men and two women.

**177. Growth of Manufactures.**— Even though individual establishments each had a small capital and a small output, their number and their combined capital and output grew rapidly during the period 1815–1860. At the beginning of the period the manufactures of the country turned out products valued at \$200,000,000 or less; in 1850, at \$1,000,000,000; and in 1860, at almost \$2,000,000,000. At the same time the value of raw materials consumed, the number of hands employed, and the amount of capital invested increased in like ratio.

#### GROWTH OF MANUFACTURES, 1850–1860

Year	Number of Establishments	Capital	Number of Employees	Raw Materials Used
1850	123,025	\$ 533,245,000	957,059	\$ 555,124,000
1860	140,433	1,009,856,000	1,311,246	1,031,605,000



## II. LEADING MANUFACTURES

**178. Cotton Manufactures.**—A better view, perhaps, of the development of manufactures during the period 1815-1860, may be had by examining the development of a few of the more important ones — cotton, woollen, and iron. The invention of the cotton gin in 1793 made possible the production of raw cotton at a moderate cost.



The Booth Cotton Mills at Lowell, Massachusetts, 1840

At once cotton became one of the leading crops of the South. New England and the middle colonies took up the manufacture of cotton cloth, and the industry spread until it led all other pure manufactures in value of output and in importance. In 1787 a cotton mill had been built at Beverly, Massachusetts. Two years later Samuel Slater had arrived in the United States with plans to build machines for spinning cotton thread. The next twenty years saw a steady growth in cotton manufactures. In 1813, Francis C. Lowell and others erected a mill at Waltham, Massachusetts, in which were assembled — some say for the first time in history — power looms

and spinning jennies. This mill was the forerunner of the modern factory where, under one roof, raw materials are worked into finished products. The growth of the cotton manufacturing industry may be shown as follows:

## COTTON MANUFACTURES OF THE UNITED STATES

Year	Number of Spindles	Employees	Pounds of Cotton Consumed	Yards of Cloth Manufactured	Capital
1810	90,000				
1820	250,000		10,000,000		
1830	1,250,000	58,000	78,000,000	230,000,000	\$40,000,000
1840	2,250,000	72,000	132,000,000	400,000,000	51,000,000
1850	4,000,000	98,000	275,000,000	825,000,000	76,000,000
1860	5,250,000	122,000	437,000,000	1,150,000,000	98,000,000

Several important phases of the development of cotton manufactures deserve attention. First, by far the largest amount of cotton cloth was made in the New England states. There, factory labor was more easily obtained than in any other section of the country, chiefly because agriculture was relatively unimportant; water power was abundant and easily available; and the damp atmosphere helped spinning and weaving by making the cotton thread less likely to break than it would in a drier climate. Second, the cloth made in the United States was coarse, and inferior to similar English grades. It was used principally in making garments for every-day wear and for the slaves, and in the commoner furnishing of the household. Third, spinning was more important than weaving in so far as the factory or mill was concerned. In New England both processes soon came to be carried on under the same roof. In the other sections of the country, however, the households very generally continued to weave cloth, depending on the mills for thread. Finally, the work, being light but requiring patience and deftness, gave employment to many women and children.

**179. Woolen Manufactures.**— The manufacture of woolen cloth was the leading household industry of the time; and it was several years before the factory system displaced home weaving even in the older and more densely settled sections of the country. In the West and South, the familiar homespun continued to be staple cloth in

many localities even down to the outbreak of the Civil War. As in the colonial period, the housewife spun the yarn and wove the cloth; but she depended on the neighboring fulling and dyeing mills to complete it. By 1840, however, improved machinery had so cheapened woolen cloth as to make its production in the household in the older sections generally unprofitable. The principal centers of the industry were Massachusetts, Pennsylvania, and New York. In the middle states, including Ohio, sheep were extensively raised, and careful attention was given to their breeding. The clip of wool in 1860 exceeded 60,000,000 pounds. In the same year the total value of woolen goods made in the United States was about \$68,000,000 which was an increase over 1850 of more than fifty per cent. A little more than one-half of this amount was produced in New England, about one-third in the middle states, and the remaining one-sixth in the South and West. The principal articles manufactured were carpets, hosiery, and cloth for clothing. The state of the woolen industry in 1860 was as follows:

#### WOOLEN MANUFACTURES, 1860

Section	Number of Establishments	Capital Invested	Number of Spindles	Number of Employees	Value of Products
New England . . .	453	\$19,950,000	393,000	24,000	\$38,500,000
Middle States . . .	748	11,565,000	210,000	20,000	24,100,000
Southern States . . .	227	1,400,000	12,500	1,600	2,300,000
Western States . . .	479	2,520,000	23,000	2,600	3,700,000
Pacific States . . .	2	170,000	780	100	235,000

**180. Iron and Iron Products.**— The manufacture of iron, and iron products such as tools, machinery, and implements, was second in importance only to the making of cloth. During the colonial period considerable attention had been given to the production of pig and bar iron; but further than that the English government had not allowed the colonists to go. Independence had removed English restriction and prohibition on the manufacture of iron products, and the industrial isolation had combined with the necessities arising from the war of 1812 to stimulate very greatly all forms of iron production. Thus by 1815 it was well established as a leading American industry. In the making of pig iron three kinds of fuel were avail-

able, wood (charcoal), anthracite, and bituminous coal (both coked and uncoked). Until about 1840 charcoal was used almost exclusively in the smelting of iron ore. Forests were abundant and accessible. For that reason, American iron masters refused for many years to follow the lead of their English competitors in the use of coal for smelting. In fact, they often regarded with contempt the first



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**Early Coke Ovens at Altoona, Pennsylvania**

attempts in this country to use anthracite in iron making. Improvements in the building of furnaces and the adoption of the hot blast made profitable the use of coal as a fuel. Accordingly, it came to be used more and more, until in 1855 anthracite iron exceeded charcoal iron in the number of tons produced. In the meantime iron makers had experimented successfully with coked bituminous coal, commonly called coke.

Iron making before the war was restricted somewhat to those

localities in which both the iron ore and fuel for smelting could be produced. Obviously, as long as charcoal was used as fuel the location of deposits was the chief factor in determining where the smelting process should be carried on, for abundant supplies of wood could be found on every hand. Then iron making and charcoal burning were often by-industries of agriculture. The use of anthracite as a fuel (beginning about 1840) tended to localize the production of iron in the Schuylkill valley, in the vicinity of the anthracite fields. Later, the use of coke for smelting caused the center of the iron industry to move to western Pennsylvania where it was located at the outbreak of the war.

In the manufacture of iron products the country made phenomenal strides. Tools, machinery, implements, railroad iron, and nails were important products. The development of railroads naturally created a large demand for finished iron, especially rails. Prior to 1845 few rails were rolled in the United States. The railroads, therefore, imported from England what they needed. At about that time iron manufacturers in this country directed their energies to making rails. So rapidly did the industry grow that the output increased from 24,000 tons in 1849 to 200,000 tons in 1860.

### III. THE TARIFF

**181. The First Tariff Act.**—Intimately connected with the development of manufactures were several tariff laws which laid taxes on many different commodities imported into the United States. Even before Washington had been inaugurated President, the House of Representatives took up the matter of levying duties on imports. Later (1789) both Houses passed the first tariff act. The purposes of the act are expressed in its preamble, which reads: "Whereas it is necessary for the support of Government, for the discharge of the debt of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares and merchandises imported" into the United States. Then followed a list of articles to be taxed, mostly luxuries, including liquors, sugar, coffee, cocoa,

tea, paints, gold and silver lace, jewelry, and playing cards. While the act was primarily intended for revenue, it did afford some degree of protection. Duties, for instance, were laid on shoes, saddles, gloves, and leather; iron, carriages, wagons, and coaches. Two years later Hamilton in his *Report on Manufactures* advanced strong arguments for high tariff rates.

During the next twenty-five years many modifications of the original tariff law were made. In 1804 an additional five per cent was imposed in order to raise revenue for the war against the Barbary pirates. Eight years later (1812) all duties were doubled as a war measure.

**182. The Tariff as a Protection to Manufactures.**—The isolation of American industry during the years 1806–1815, which has been noticed already, caused the establishment of many new manufacturing industries and the enlargement of many others. The return of peace in 1815<sup>1</sup> brought a flood of English merchants and exporters who offered better goods on more liberal terms than their American competitors could possibly make. The result was a sharp decline in American manufactures. The only hope for reviving it, so the manufacturers said, lay in securing aid from the government in the form of bounties or tariffs. Accordingly the manufacturers petitioned Congress in 1815 for a tariff which would impose rates on imported goods equal at least to the differences in the expenses of production here and abroad. In taking this position the manufacturers did not stand alone, for the opinion was very generally held at the time that the government ought to grant protection to these *infant industries*. President Madison so advised Congress. Even the South, which soon came to oppose all forms of government aid to manufactures, favored the proposition. In fact, Calhoun and other southern leaders supported it. Accordingly, in 1816 Congress enacted a tariff law, which is usually considered to have been the first for protection. This act, known as the Tariff Act of 1816, placed duties on a variety

<sup>1</sup> The treaty of peace was signed at Ghent, December 24, 1814; the last battle was fought at New Orleans, January 8, 1815.

of articles, notably cotton and woolen cloths. On these the duty was fixed at twenty-five per cent ad valorem, with the additional provision that this rate should be automatically reduced to twenty per cent in 1819.

**183. Agriculture and Commerce Versus Manufactures.**— The Tariff Act of 1816 had hardly passed when a change in sentiment regarding protection took hold of the people in various sections of the country. Part of this change may be attributed to the "hard times" of 1819; part, to a feeling of resentment toward the manufacturers, who were calling loudly for additional protection. Whatever the reasons for this change in feeling, the significant fact remains that the southern states opposed further extension of protection; and in this opposition they were supported by the commercial interests of New England. Thus when Congress took up the tariff question in 1824, the friends of protection led by Henry Clay of Kentucky were seen to be from the middle states, from Ohio and Kentucky, and from the manufacturing districts of New England. In the debate which followed, Clay argued that the prosperity of the farmers of the country depended largely on the extent of the local markets for farm products, and that protection was as much to be desired by the farmers as by the manufacturers themselves. This is known as the *home market argument* for protection.

George McDuffie of South Carolina spoke for the South. He denied the validity of Clay's argument, declaring that protection was a tax on the agricultural interests of the country because it raised the price of the manufactured goods consumed by the farmer. Daniel Webster argued the cause of New England commerce. He contended that protection by decreasing importation would curtail the shipping of the country. He was willing, however, to encourage manufactures provided similar encouragement was given to commerce. In passing, it ought to be remarked that Webster later became an ardent protectionist.

The protectionists carried the day. Congress retained the old duty of 25 per cent on woolen and cotton cloths, which in 1818 had

been extended to 1826, and increased the duty on iron. The debate and the law which followed showed the South clearly that the protected interests of the country would be satisfied only with high tariff rates.

**184. The Tariff in Politics.**— The tariff, because of the wide differences of opinion regarding it, naturally became a political issue. In fact, the tariff debate of 1824 was carried on partially for political reasons. The eccentric John Randolph of Virginia dryly remarked at the time that the greatest concern of the members of Congress was the *manufacture of a president*. In 1824 there were four leading presidential candidates — Andrew Jackson of Tennessee, John Quincy Adams of Massachusetts, William H. Crawford of Georgia, and Henry Clay of Kentucky. All belonged to the same political party, and



A Cottonyard in the South



all, unless it was Crawford, favored some degree of protection for American manufactures. No one of the candidates received a majority of the electoral votes. The election of a president, therefore, devolved on the House of Representatives. Early in 1825 that body chose Adams.

During the next few years other issues overshadowed the tariff: Jackson's popularity, the bank question, foreign affairs, and slavery, each had its effect in shaping political policies. Jackson was elected president in 1828, defeating Adams by a large vote. Four years later he was re-elected over Clay, who was the candidate of the National Republican party. Broadly speaking we may say that Jackson stood for more moderate protection than either Clay or Adams, yet he was not a free trader in any sense of the word.

**185. The Tariff and Sectionalism.**—The sectional differences brought out in the tariff debate of 1824 rapidly became more prominent. In 1828 Congress again raised the question of granting protection to American manufactures. The discussion that followed brought out a great deal of personal bitterness and sectional feeling. In the end the high protectionists prevailed. The Tariff of 1828, known as the "Tariff of Abomination," because it satisfied no section of the country, gave more protection than any other tariff law enacted prior to the Civil War period.

In both houses of Congress the vote on the bill was close — 105 to 94 in the House, 26 to 21 in the Senate. An analysis of the vote in the House shows its sectional character. Of the 105 supporters of the bill 16 were from New England, 57 from the middle states, 29 from the western states, including Kentucky and Ohio, and 3 from the South (Virginia). Thus it failed to get a single vote from North Carolina, Georgia, South Carolina, Tennessee, Louisiana, Alabama, Missouri, or Mississippi.

In opposing protection, the representatives from the southern states had voted the sentiment of their constituents. The people of that section believed that protection was a device whereby the manufacturing interests of the North and East were getting rich at

the expense of southern and western agriculture. Consequently they were dissatisfied with the new tariff law. All of them grumbled at its exactions, and some even thought of using force to prevent its provisions from being put into operation.

**186. Nullification.**—The “Tariff of Abomination” proved so unsatisfactory that four years later (1832) a more moderate tariff law was enacted. Although the new law afforded less protection than the old, it did not satisfy the South. That section had expected a greater reduction in rates than had been made, and it had every reason to believe that its expectation would be realized. Tired of discussion, which seemed to be of no avail, South Carolina, in 1832, declared void the tariff laws of the United States in so far as they affected that state. She not only nullified the laws, but what was more important, she prepared to enforce the nullification by calling out the state troops. President Jackson was no less determined that the laws of the country should be enforced. He felt assured that the doctrine of “national sovereignty” as expounded in the United States Senate two years before (1830) by Daniel Webster in his reply to Robert Hayne of South Carolina was supported by a large majority of the people. Backed by this assurance Jackson determined as a last resort to send an armed force into South Carolina, and called on Congress for additional authority to enforce the collection of customs duties. Such a situation was alarming. No one could predict with certainty the outcome if the government attempted to force a state to comply with a federal law.

**187. The Compromise Tariff, 1833.**—Just as an open conflict was threatened, Clay, the father of the protective system, came forward with a compromise tariff bill which provided that all duties in excess of 20 per cent should be gradually lowered. A majority of the members of Congress, glad to find a way out of the difficulty, supported the bill. It became a law on March 2, 1833. Although the new law sacrificed to a considerable extent the principle of protection, it provided adequate rates for manufactures, and proved satisfactory to the South.

The Compromise Tariff provided that all rates in the act of 1832 which exceeded 20 per cent should be gradually reduced to a 20 per cent level. One-tenth of the *excess* was to be removed on the first day of each of the years 1834, 1836, 1838, and 1840, three-tenths on January 1, 1842, and the remaining three-tenths on July 1, 1842, making a total reduction of ten-tenths. Rates at 20 per cent or under were not affected. The working of the act may be illustrated, showing graphically how a rate of 30 per cent was reduced to the 20 per cent level:

### REDUCTION OF A 30 PER CENT RATE UNDER THE COMPROMISE ACT

30%	Rate in Act of 1832	30%
29%	Reduction of 1% (1/10 of excess over 20%) January 1, 1834	29%
28%	Reduction of 1% January 1, 1836	28%
27%	Reduction of 1% January 1, 1838	27%
26%	Reduction of 1% January 1, 1840	26%
25%	Reduction of 3% January 1, 1842	25%
24%		24%
23%		23%
22%	Reduction of 3% July 1, 1842	22%
21%		21%
20%		20%
20% Level. Tariff Law of 1832.		

188. **The Whig Tariff of 1842.**— Though the compromise was regarded as binding, the Whig party, which began in 1834, declared repeatedly for higher tariff rates. In 1837, Martin Van Buren (Democrat) succeeded Jackson as president. During that and the succeeding two years the country suffered from a panic. The Whigs contended that the panic had been caused by the low rates of the Compromise Tariff. The Democrats denied the contention. Whatever

the causes of the "hard times," the people apparently were persuaded that the tariff was at fault. In 1840 they elected William Henry Harrison (Whig) president. The next year the Whigs went into power and proceeded to discuss the need of higher rates. Under the guidance of Clay they enacted a tariff law in 1842 which raised the rates to a point considerably higher than they had come to be under the Compromise Act. The new law went into operation in the fall of 1842, scarcely three months after the last reduction under the compromise had been made. The Democrats argued that the new law violated the compromise, since, they said that they had been led to believe when the measure was passed nine years before that its final reductions would continue in force indefinitely.

**189. The Walker Tariff Act, 1846.**— The efforts of the Whigs in raising tariff rates were shortlived. John Tyler of Virginia, who had succeeded Harrison as president in 1841, soon found himself out of harmony with the party. Consequently his entire administration was characterized by a bitter fight with the Whig leaders. In the election of 1844 James K. Polk of Tennessee defeated Clay for president. Though the tariff issues of the campaign were overshadowed by those relating to slavery and to the annexation of Texas, the Democrats as soon as they were again in power gave their attention to revising the tariff. Polk's Secretary of the Treasury, Robert J. Walker, urged on Congress the desirability of lowering tariff rates. In 1846 a new tariff law, known as the Walker Tariff Act, was enacted, in which for the first time the commodities to be taxed were grouped in schedules. Schedule "A," for instance, included liquors and bore a rate of 100 per cent; schedule "B" included spices, meats, and tobacco, and bore a rate of 40 per cent. Each succeeding schedule carried a lower rate. The free list was also enlarged and extended.

**190. Free Trade and Prosperity.**— During the next fifteen years the tariff law of 1846 underwent few modifications.<sup>1</sup> It was in fact an

<sup>1</sup> In 1857 the rates were slightly lowered owing to a surplus in the treasury. The panic of the same year caused a deficit in revenues causing Congress to raise the rates in 1861.

excellent free trade tariff law. The period of its operation was an exceedingly prosperous one, due, some say, to the lower tariff rates, while others hold that it was in spite of them. Whatever the effect of the tariff, the period was one of great industrial expansion. Agriculture, commerce, and manufactures each prospered. The population increased fifty per cent. Seven new states were organized. Gold was discovered in California, and the jurisdiction of the United States extended to the Pacific coast.

### ORAL AND WRITTEN EXERCISES

1. How did the abundance of natural resources influence manufactures?
2. What is a territorial division of labor?
3. Why does the government issue patents?
4. Just how is a patent a monopoly?
5. Name any inventors who have become wealthy.
6. What is meant by the factory system?
7. How did the factory system affect industry?
8. Name the leading manufactures in 1860.
9. Why did Massachusetts excel South Carolina in the manufacture of cotton cloth?
10. Where were the chief sheep-raising regions prior to the Civil War?
11. What is meant by the expression "charcoal iron"? "anthracite iron"? "bituminous iron"?
12. What is a protective tariff?
13. Is there any relation between protection and the old mercantilist doctrine?
14. Why is the Tariff Act of 1816 said to be protective?
15. What is the "home market" argument for protection?
16. Who were the presidential candidates in 1824?
17. Where did the House of Representatives get the authority to choose among these candidates?
18. What was the "Tariff of Abomination"? Why so called?
19. What was the basis of the southern argument against the tariff?
20. What was the Compromise Tariff? Why so called?
21. Explain how a rate of 40 per cent was reduced under the Compromise Tariff.
22. What was the peculiar feature of the Walker Tariff Act?

23. Suggested topics for oral or written reports:  
The Development of Manufactures in New England.  
The Effects of Protection on Manufactures.  
The Tariff as a Sectional Issue.
- 

24. Important dates:

- 1789 — Building of the Slater Mill.  
1789 — First tariff law.  
1816 — First protective tariff law.  
1828 — "Tariff of Abomination."  
1832 — Nullification by South Carolina.  
1833 — Compromise Tariff.  
1846 — Walker Tariff Act.

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**CHAPTER XIII**  
**AGRICULTURAL PROGRESS**  
**1800-1860**

**I. IMPROVEMENTS IN AGRICULTURE**

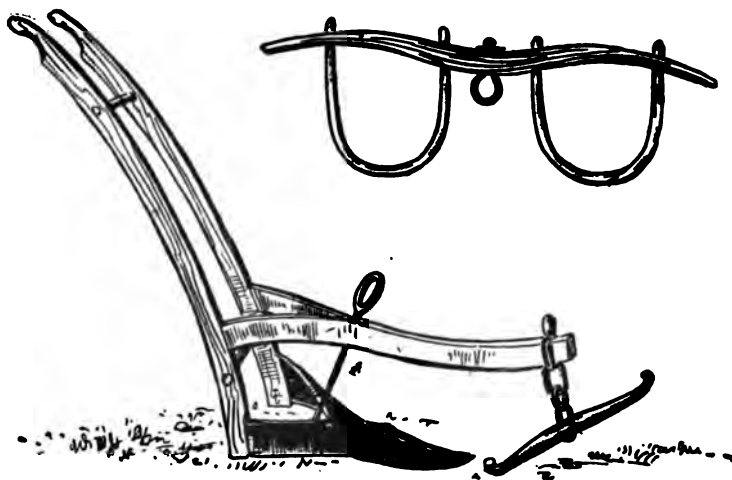
**191. General Course of Development.**— Agriculture before the war was characterized (1) by the exploitation of new lands, (2) by the introduction and use of farm machinery, (3) by the spread of agricultural education, and (4) by improvements in animal breeding. The exploitation of new land, as we have seen in discussing the westward movement, affected every form and phase of American industry. It called for a more extended use of machinery in planting, cultivating, and harvesting crops. These labor-saving devices in turn made farming less laborious and more profitable. Along with improved machinery went an increased knowledge of better farming methods. The two were inseparable. Each stimulated progress in the other. Improved breeds of animals likewise reflected the spirit of progress in agriculture.

**192. Exploitation of New Land.**— The settlement of the Mississippi Valley necessarily meant the extension of farm area. Settlers usually became farmers even though they had been professional or business men or mechanics in their old homes in the East. Their principal reason for emigrating across the mountains had been to get land for themselves and their children. Moreover, the first industry at hand and almost the only one which the early settlers could profitably take up was agriculture; hence the number of farms and the area of farm land increased rapidly.

This extension of farm area continued until in 1860 it exceeded four hundred million acres, an area equal approximately to that portion of the United States lying east of the Mississippi River. The farms numbered 2,044,077 averaging 199.2 acres each. This average

farm comprised eighty acres of improved land, was worth \$3,000, and employed machinery valued at \$100.

**193. Machinery on the Farm.**—The first farm tool to be improved to any considerable extent was the plow. Many of the



Pioneer Equipment

The ox yoke and the iron-pointed plow assisted the hardy pioneers to conquer the wilderness.

leading men of the time, notably President Jefferson, studied how to improve the shapes of different plows and their construction.<sup>1</sup> Even when they had succeeded in building better plows they were not always successful in getting the people to use them. "Their introduction was far slower than that of an improved implement would be at the present time. . . . Many a farmer, clinging to the old wooden plough, asserted that cast iron poisoned the ground, and spoiled the

<sup>1</sup> "Such was the extreme importance of this implement [plow] as to command the attention of scientific men in studying to improve its form and construction, and, in 1798, Thomas Jefferson applied himself to the task, and wrote a treatise on the form of the mouldboard, discussing it on scientific principles, calculating mathematically its exact form and size, and especially its curvature, with a view to lessen its friction." Charles L. Flint in Kettell's *Eighty Years' Progress*, p. 31.



crops." Gradually, however, the iron plow, lighter in construction and better adapted to turning a clean furrow, displaced the old wooden plow which had required for its operation the labor of two or three yoke of oxen and at least two men. By 1860, over four hundred patents had been issued for improvements on the plow. Other tools used in planting or cultivating were introduced or improved during



*By Courtesy of International Harvester Co.*

#### Cutting Grain with Cradle

The cradle was the first improvement over the scythe

this period. The most important of these were the light-toothed harrow, horse-hoe, grubber, cultivator, drill, and seed-sower.

For harvesting grain the most important machine invented and improved during the period was the reaper. Hitherto wheat had been harvested by hand. For many years efforts had been made to build a machine whereby the grain could be cut with moving knives, or sickles. Finally in 1831 Cyrus H. McCormick demonstrated in a Virginia wheat field the practicability of such a machine by reaping

six acres of wheat in less than a half day.<sup>1</sup> For some reason young McCormick failed to patent his new machine, the honor going to Abed Hussey, who secured the first patent for a reaper in 1833. One improvement followed another in rapid succession. The United States excelled all other nations in this respect. At a public test held at Paris, France, in 1855 the superiority of the American reaper was shown. "The trial took place in a field of oats about forty miles from the city, each machine having about one acre to cut. Three machines were entered for the first trial, one American, one English, and one from Algiers, all at the same time raking as well as cutting. The American machine did its work in twenty-two minutes, the English in sixty-six, and the Algerian in seventy-two."<sup>2</sup>



*By Courtesy of International Harvester Co.*

**McCormick's First Reaper**

This reaper, which Cyrus H. McCormick built in 1831, was the forerunner of the modern binder.

The effect of such a machine on American agriculture is difficult even to estimate. It not only robbed the grain farms of a great deal of hard labor formerly expended in using the cradle and the scythe, but it made possible increased yields. Hitherto the amount of grain grown had been limited to the relatively small crop that could be harvested by hand. Another invention, the mower, was very much like the reaper. It was used in cutting grass for hay.

Of supreme importance in the development of agriculture was the thrasher. For centuries wheat and other grains had been separated

<sup>1</sup> For an interesting account of this demonstration, see Casson's *The Romance of the Reaper*, pp. 12-14.

<sup>2</sup> Kettell's *Eighty Years' Progress*, p.35.

from the straw by the most primitive methods. Usually the grain was beaten out with the flail, or by the hoofs of oxen driven over the unthreshed straw. The first patent in the United States for a threshing machine was issued in 1791. Others followed, as many as thirty-eight being taken out in the year 1831. Agricultural societies and public spirited citizens offered prizes for practical improvements. World's fairs were utilized by inventors and manufacturers to introduce their machines to the public. Competitive tests were held not only among the different machines, but also between the machines on the one hand and the older methods on the other. At the Paris Exposition in 1855, American threshing machines were pitted against the best Europe could produce. "Six men were set to threshing with flails at the same moment the different machines commenced operation, and the following were the results of half an hour's work:

Six threshers with flails . . . . .	60 liters <sup>1</sup> of wheat
Pitt's American thresher . . . . .	740 liters of wheat
Clayton's English thresher . . . . .	410 liters of wheat
Dunoir's French thresher . . . . .	250 liters of wheat
Pinet's Belgium thresher . . . . .	150 liters of wheat'' <sup>2</sup>

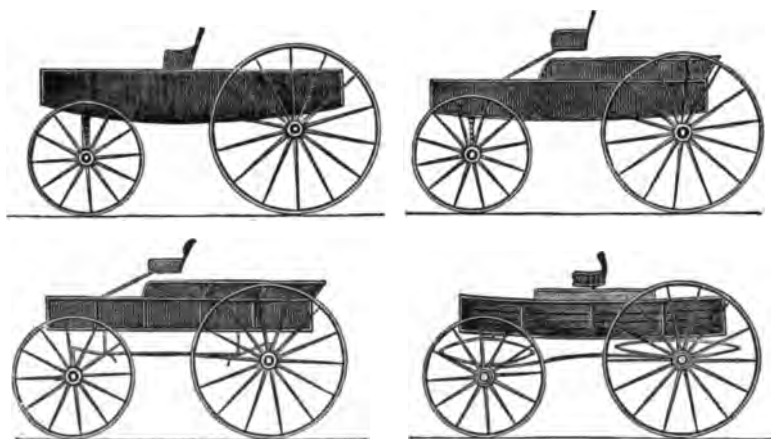
The savings effected by the threshing machine were considerable. Wheat could now be threshed in the field in about the same length of time it had formerly taken to haul the unthreshed straw to the barn, and at about the same expense. In 1860 it was estimated that the use of threshing machines in two Ohio counties alone annually saved the labor of 40,000 men.

The rapid extension of the use of farm machinery was closely connected with the settlement of the Mississippi Valley. As long as grain farming was confined to the Allegheny regions and along the Atlantic coast, there had been little demand for such labor-saving machines as the binder or mower. There the scythe and cradle sufficed to care for the crops. The long stretches of prairie lands in Ohio, Indiana, Illinois, and other Mississippi Valley states, however,

<sup>1</sup> A liter equals approximately a quart.

<sup>2</sup> *Preliminary Report on the Eighth Census*, p. 99.

not only made possible the use of improved machines for planting, cultivating, and harvesting, but their fertility and extent, by offering a rich reward, stimulated inventors and dreamers to make such machines a reality. Thus "in this vast land ocean, with few laborers and an infinity of acres, the reaper was as indispensable as the plow. To reap even one of these states by hand would require the whole working population of the country."<sup>1</sup>



Improvements of the Wagon

The early wagons had no springs. Gradually they were made more comfortable by the addition of springs both to the bed and to the seat. Compare with the modern wagon and buggy.

**194. Live Stock.**—The development of the live stock industry during this period was characterized (1) by improvements in the breeding of animals, and (2) by the large increase in their numbers. During the earlier years, and even at a later period in some sections of the country, little attention was given to improving the breeds of domestic animals. Many farmers failed to provide sufficient food and adequate shelter, especially for their cattle. A careful observer remarked as late as 1840 "that the general treatment of cows at that time, in New England, would not be an inapt subject of presentment

<sup>1</sup> Casson's, *The Romance of the Reaper*, p. 25.

to a grand jury." In spite of carelessness and even cruelty, improvements in breeding went on. Three principal methods were pursued: (1) importation of blooded stock; (2) selection of the best animals for breeding purposes; and (3) more attention given to food and shelter. Such improvements resulted not only in a better quality of stock, but also in an increase in quantity. In 1850 the value of live stock in the United States exceeded \$500,000,000; ten years later it was \$1,107,490,216. Thus the money value of the domestic animals of the United States in 1860 was more than twice as great as the combined money values of the cotton and corn crops.

In raising cattle the farmers had in mind three different types: (1) beef cattle, (2) working-oxen, and (3) milch cows. All three could be found in every section of the country. Beef cattle and working-oxen, however, were raised principally in the West. In 1860, for example, there were 38,221 working oxen and 97,201 beef cattle in Massachusetts, while in Missouri, which had a smaller population than Massachusetts, there were 166,588 of the former class and 657,153 of the latter. Obviously the production of butter and cheese was an important industry in the rural districts. These products were sufficient to supply the home demand and allow for large exportation. During the year 1859-1860, the production of butter was 460,509,854 pounds; of cheese, 105,875,135 pounds. About 15 per cent of the latter was exported.

Two rather distinct types of horses were developed during this period. One was large limbed and bred for heavy work on the farm and the road. The most notable example of this type was the conestoga horse, which was usually employed to draw heavy drays in the cities or freighting wagons across the country. The second type, which was smaller and fleet of foot, was bred for racing, for riding, and for drawing buggies and light carriages. As was the case with cattle, farmers gave increased attention to importing blooded horses, to selecting the best animals for breeding purposes, and to providing more and better food and adequate shelter. Horse racing was a popular sport and numerous race courses stimulated improvements in racing stock. Particularly in the South and West,

horse-back riding was indulged in both as a recreation and as a means of travel. The building of turnpikes, the general improvement in country roads and city streets, and the use of lighter-built carriages, gave increased employment to all classes of horses.

Mules divided with horses and working-oxen the heavy labor on the farm. In many respects they excelled as work animals. They endured abuse, were submissive, and kept in flesh on food that would have proved quite inadequate for horses. For those reasons, they were used largely on the plantations of the South.

In 1860 the number of horses and mules in the various sections of the country was as follows:

Section	Horses	Mules
North (10 states) . . . . .	1,294,820	19,390
South (13 states) . . . . .	2,147,438	928,127
West (11 states) . . . . .	2,647,618	168,376

Along with corn, pork was an indispensable diet of the West and South, and an important article of food in New England and the middle states. In all sections of the country, swine were raised in large numbers; and by 1860 pork packing had become an important industry at Pittsburgh, Cincinnati, St. Louis, and Chicago. During the earlier years of the period farmers gave little attention to improving the quality of their swine. Everywhere they allowed them to run wild, expecting them to live, and even to fatten, on nuts and roots. Until well toward the middle of the century swine might have been seen feeding in the streets of the principal eastern cities. In fact, visitors to New York often criticized the habit of the people in allowing them to run wild on Broadway. In some of the states, provision was made by law whereby each owner could identify his swine by some peculiar marking such as piercing or notching one or both ears. To obliterate or change such markings usually resulted in severe punishment and social ostracism. In the West hog stealing and murder were regarded very much alike.

The more progressive farmers and stock raisers directed their attention to improving the breeds of their swine. At considerable expense they imported blooded stock from Europe. They also

learned the advantage of providing shelter for young pigs and of feeding the older ones with corn and wheat bran. Gradually in many sections of the country, the "hazel splitter" and the "razor back" gave way to such superior breeds as the Suffolk, the Essex, and the Berkshire, or to a type of swine evolved from the native stock.



Types of Swine on the Frontier  
Compare with present day types.  
Notice differences in size of body,  
length of nose, and shape of ears.

The states leading in the production of swine in 1850, were Tennessee, Kentucky, Indiana, Georgia, Ohio, and Alabama.

The first domestic animals to receive the careful attention of stock raisers and farmers were sheep. Even during the colonial period when live stock very generally suffered from neglect, the sheep had been better cared for than cattle or swine. Beginning about 1800 the importation of fine stock began. The growth of manufactures between 1806 and 1815 stimulated the production of sheep

in greater numbers and led to a marked improvement in the quality of the fleece. Fine wool at that time commanded a price as high as \$2 a pound, and farmers everywhere were desirous of profiting by its production. Consequently sheep raising received a great deal of attention. During the next thirty or forty years the growth of the industry fluctuated with the price of wool. At first it was confined principally to New England and the middle states, for it was there that the wool was converted into cloth. The development of transportation facilities to the West and South, however, caused the centers of sheep raising to shift to those localities. The cheap western lands made the industry there more profitable than it could possibly be in the East, while in the South the mild climate favored its development. At the London Exposition in 1851 the fleece that commanded

the highest premium for the fineness and beauty of staple was grown in Tennessee.

The number of sheep and the production of wool for the years 1850 and 1860 were as follows:

Year	Number of Sheep	Pounds of Wool Clipped
1850 . . . . .	21,723,220	52,516,959
1860 . . . . .	23,317,756	60,511,343

**195. Agricultural Education.**—The developments and improvements in agricultural implements and in live stock breeding were accompanied by a growing conviction that agriculture ought to be carried on in a spirit of investigation and not by rule-of-thumb methods. This conviction showed itself first in the organization of agricultural societies, later in fairs and expositions, and finally in agricultural schools and colleges. The first society of this character was the South Carolina Agricultural Society, organized in 1784. During the next few years similar societies were organized in Philadelphia and New York. The Massachusetts Society for Promoting Agriculture was organized in 1792 and a little later it began the issue of a series of publications known as the *Agricultural Repository*. In 1816, the Massachusetts society held its first exhibition, or fair. Societies and fairs spread over the country until by 1860 there were more than a thousand of them.

The latest and best information on improved methods of agriculture was diffused by the societies through their publications and fairs, and by newspapers. Speaking of their efforts a well-known authority on agriculture wrote: "I do not think it is claiming too much for the agricultural societies throughout the country, to say that the general spirit of inquiry in relation to farm improvements, and much of the enterprise manifested by farmers of the present day, is due to their efforts. The most impartial judgment would, in fact, go much further than this, and say that a large proportion of the actual improvement that has been made in farm stock, farm implements, and farm products, may be traced, directly or indirectly, to the influence of the agricultural associations of the country."<sup>1</sup>

<sup>1</sup> See article by Charles L. Flint in *Report of the Commissioner of Agriculture for the Year 1872*, pp. 282, 283.



## II. IMPORTANT AGRICULTURAL CROPS

**196. Cotton.**— In some respects cotton was the most important agricultural crop of the United States prior to 1860. Southern planters and statesmen said: "Cotton is king." In using this expression they did not mean that the cotton crop exceeded all other crops in value, for in that respect it scarcely equaled corn or hay. They meant that it was the great staple, or money crop, the principal export of the United States, the one American product of which foreign nations never seemed to get enough. It went abroad in exchange for manufactured goods and money. It was largely responsible for the growth of foreign commerce.

The cotton plant seems to have been introduced into the English colonies at an early date, probably in 1621. The development of the industry was extremely slow. In 1784 several bales of cotton were shipped to England, where they were ordered seized, as having been improperly entered from the wrong country, on the ground that so much cotton could not have been produced in the United States. Seven years later (1791), the total crop of this country was 200,000 pounds, three-fourths of which was grown in South Carolina and the remainder in Georgia. The next half century and more saw the industry grow until by 1860 the value of the cotton crop, according to one estimate, exceeded \$200,000,000.

AMOUNT OF COTTON GINNED IN EIGHT LEADING COTTON STATES,  
1850 AND 1860

State	NUMBER OF BALES OF 400 POUNDS EACH	Rank	Rank	
	1850	1860		
Mississippi . . . . .	484,292	3	1,195,699	1
Alabama . . . . .	564,429	1	997,978	2
Louisiana . . . . .	178,737	6	722,218	3
Georgia . . . . .	499,091	2	701,840	4
Texas . . . . .	58,072	8	405,100	5
Arkansas . . . . .	65,344	7	367,485	6
South Carolina . . . . .	300,901	4	353,413	7
Tennessee . . . . .	194,532	5	227,450	8

The development of cotton growing was intimately associated (1) with the invention of the spinning jenny and the power loom; (2) with the invention of the cotton gin; (3) with the use of slave labor;

and (4) with the free lands of the Southwest. The first of these created an increased demand for raw cotton, the second made it possible to clean the fiber at small expense, the third and fourth combined to make cotton growing in the United States easy and profitable. It must be kept in mind, however, that the increase in slavery after 1800 was more the result of an increased demand for cotton than a cause. Similarly the inventions resulted from this same demand. Obviously the demand for cotton had no effect on the supply of free land. Generally speaking, therefore, we may say that the increase in cotton growing depended rather directly on the amount of available land, and on the facility of machinery to transform the raw material, and that the spread of cotton raising and the growth of slavery interacted one on the other.

**197. Corn.**—The importance which we attached to corn during the colonial period holds for the years 1800 to 1860. It continued to be the chief article of diet in many sections, and was also largely used in fattening cattle and swine, and in feeding horses. Likewise, as in the colonial days, it aided materially in pushing settlement westward. The soil of the level Mississippi Valley was even better adapted to its growth and cultivation than was the soil in the older states. The Middle West, therefore, became in time the chief corn producing region of the United States. In 1850 the leading corn states were Ohio, Kentucky, Illinois, Indiana, Tennessee, and Missouri. Ten years later the six ranking states in corn production were Illinois, Missouri, Ohio, Indiana, Kentucky, and Tennessee.

**198. The Hay Crop.**—One of the most important farm crops in this period was hay. It was very generally used on the farm where it was produced, or in the local neighborhood, and for that reason it is often neglected in discussions on agriculture. In some of the states, as at the present time, it was the leading crop. In its production the North excelled the South, and naturally so, for it was unnecessary in the latter region to store great quantities of hay for winter food. Much of the grass in the South, which would have been cut and cured

in colder climates, was eaten by the stock running in the fields. The leading hay producing states were New York, Ohio, Pennsylvania, and Illinois. As to the value of the hay crop for any given year it is difficult to determine. The price fluctuated widely from section to section. If, however, we take ten dollars a ton as the average price in 1850 or 1860, we find that the value of the hay crop in the former year was \$138,386,420, in the latter, \$191,291,280. If this estimate is accepted as correct, the production of hay, measured solely in dollars, approximated the production of cotton or wheat.

**199. Wheat.**—Second only to corn as a food crop was wheat. Some even contend that in this respect it ranked first. Like corn it could be grown in all sections of the country, though it was produced in greater abundance in the Middle West.

#### SIX LEADING WHEAT PRODUCING STATES, 1850 AND 1860

State	1850	NUMBER OF BUSHELS		Rank
		Rank	1860	
Illinois . . . . .	9,414,575	5	24,159,500	1
Wisconsin . . . . .	4,286,131	9	15,812,625	2
Indiana . . . . .	6,214,458	6	15,219,120	3
Ohio . . . . .	14,487,351	2	14,532,570	4
Virginia . . . . .	11,212,616	4	13,129,180	5
Pennsylvania . . . . .	15,367,691	1	13,045,231	6

Wheat had one advantage over corn in that it had a wider market. As soon as an all-water route through the Erie Canal had been established, the West began sending its surplus wheat to the seaboard. As the farming operations of the Mississippi Valley increased, the amount of wheat shipped eastward also increased. Of course, corn was sent down the lakes and through the canal, but this trade, before the war, did not equal the trade in wheat. In addition there was usually a heavier demand in Europe for wheat and flour than for corn. In 1855 we exported to Great Britain 5,935,284 bushels of corn, 8,036,665 bushels of wheat, 2,026,121 barrels of flour. In 1858, the quantities of the same items were respectively 3,215,198 bushels, 8,926,196 bushels, and 3,512,169 barrels.

**200. Minor Staple Crops.**—In addition to cotton there were several other staples, or money crops—namely, tobacco, rice, and sugar. All three were grown in the South on plantations, and were largely the product of slave labor. Eighty per cent of the tobacco was produced in the border states—Virginia, Kentucky, Tennessee, Maryland, and Missouri; rice growing was localized in South Carolina, Georgia, and Louisiana; and the production of sugar and cane molasses was confined almost entirely to Louisiana. Like cotton, these products found ready cash markets. The rice, sugar, and molasses were consumed at home; large quantities of the tobacco were shipped to Europe.

**201. Miscellaneous Food Crops.**—Of the more important food crops not yet noted there were potatoes, both white and sweet, peas, beans, orchard products, and vegetables. Potatoes were an important item of diet both in the North and in the South. In the former section, the white potato predominated, in the latter, the sweet potato. Of peas and beans, the South raised the greater quantity. Sweet potatoes, pork, corn meal, and white potatoes were consumed in large quantities by the slaves. Orchards abounded in all the states, but more particularly in New York, Pennsylvania, Ohio, Indiana, and Illinois. The fruit was excellent in quality, many English travelers declaring it to be superior to the fruit generally found in Europe.<sup>1</sup> Concerning garden vegetables—radishes, tomatoes, asparagus, onions, etc.—we have little definite information. Contemporary writers agree, however, that the farmers and the townspeople had excellent gardens. On some of the southern plantations the growing of vegetables was looked after carefully by the overseers.

<sup>1</sup> Not all travelers, however, praised American fruit. Mrs. Trollope, who made a failure in the mercantile business in Cincinnati wrote as follows: "All the fruit I saw exposed for sale in Cincinnati was most miserable. I passed two summers there but never tasted a peach worth eating. Of apricots and nectarines I saw none; strawberries very small, raspberries much worse; gooseberries very few and quite uneatable; currants about half the size of ours, and about double the price; grapes too sour for tarts; apples abundant, but very indifferent, none that would be thought good enough for an English table; pears, cherries, and plums, most miserably bad."

## AGRICULTURAL PROGRESS

## MISCELLANEOUS FOOD CROPS, 1850 AND 1860

Crops	1850	1860
White potatoes . . . . .	65,797,896 bushels	110,571,201 bushels
Sweet potatoes . . . . .	38,268,148 bushels	41,606,302 bushels
Beans and peas . . . . .	9,219,901 bushels	15,188,113 bushels
Orchard products . . . . .	7,723,186 dollars	19,759,361 dollars

## ORAL AND WRITTEN EXERCISES

- How did the settlement of the West affect agriculture?
  - How did the average farm of 1860 compare with the average farm of today, in size and value?
  - Why did the farmers object to the use of steel plows?
  - How did the United States rank with European countries in the use of agricultural implements?
  - What was the effect of the reaper on American agriculture?
  - Why did the early settlers give so little attention to stock raising?
  - What methods were pursued in improving live stock?
  - Why were there more working oxen in Missouri than in Massachusetts?
  - Why were mules extensively employed on southern plantations?
  - Explain why the pork packing industry developed in Cincinnati, Pittsburgh, St. Louis, and Chicago.
  - Why were the chief hog-raising regions in the Mississippi Valley?
  - What methods were used to spread agricultural improvements and agricultural education?
  - Why was cotton said to be king?
  - What was the effect of the cotton gin on cotton growing? on slavery?
  - How did corn assist in developing the Mississippi Valley?
  - Why is the hay crop often overlooked in discussions on agriculture?
  - In what respect was the wheat crop more valuable than the corn crop?
  - What is meant by the expression, "money crop"?
  - Name the less important food crops.
- 
- Suggested topics for oral or written reports:  
Effects of Education on Agriculture.  
Improvements in Agricultural Machinery.  
The Exportation of Cotton.

## SUPPLEMENTARY READING

## Improvements in Agricultural Machinery.

- CASSON, H. N. The Romance of the Reaper, pp. 3-90.  
 BOLLES, A. S. Industrial History of the United States, pp. 32-45.  
 BOGART, E. L. Economic History of the United States, pp. 232, 238-249.  
 Preliminary Report on the Eighth Census, pp. 90-100

### **Live Stock.**

BOLLES, A. S. Industrial History of the United States, pp. 137-163.

### **Agricultural Education.**

Report of the Commissioner of Agriculture for the year 1872, pp. 348-398.

### **Leading Farm Crops.**

BOLLES, A. S. Industrial History of the United States, pp. 46-136.

SMITH, J. R. Industrial and Commercial Geography, Consult Index.

DONNELL, E. J. Chronological and Statistical History of Cotton, Consult Index, which is arranged by years.

# CHAPTER XIV

## OCEAN COMMERCE AND THE FISHERIES

### 1815-1860

#### I. GROWTH AND CHARACTER OF OCEAN COMMERCE

**202. Growth of Exports and Imports.**— Following the peace with Great Britain in 1814, the foreign trade of the United States increased slowly to about the year 1845, and then with marked rapidity until the outbreak of the Civil War. In 1815 the combined value of imports and exports was \$165,000,000; in 1840, \$240,000,000; and in 1860, \$760,000,000. The variation from decade to decade in the value of imports was usually accompanied by similar variations in the value of exports; the former, however, exceeded the latter during the entire period, and with few exceptions, during each year. It was not until about 1880 that the exports of the country began year by year to exceed the imports.

The chief exports from the United States during this period were cotton, tobacco, and food products. The development of the cloth making industry in England caused heavy demands for American cotton. We exported 93,000,000 pounds of raw cotton in 1810, 300,000,000 pounds in 1830, and 1,750,000,000 pounds in 1860, a point not again reached until 1880. Food products comprised from one-fifth to one-third of the total exports.<sup>1</sup> The chief commodities

#### <sup>1</sup>EXPORT (Dollars)

	Cotton	Tobacco and Rice	Flour and Provisions	Manufactures	United States Specie	Total of all Domestic Exports
1816	\$24,106,000	15,187,880	20,587,376	2,331,000	.....	64,781,896
1821	20,157,484	7,143,349	12,341,360	2,752,631	10,478,059	43,671,894
1831	31,724,682	6,908,655	12,424,701	5,086,890	9,014,931	61,277,057
1836	71,284,925	12,607,390	9,588,359	6,107,528	345,738	106,916,680
1842	47,593,464	11,448,142	16,902,876	7,102,101	3,642,785	92,969,996
1847	53,415,848	10,848,982	68,701,921	10,351,364	2,620	150,637,464
1851	112,315,317	11,390,148	21,948,651	20,136,967	18,069,580	196,689,718
1854	93,596,220	12,182,204	65,941,323	26,849,411	38,234,566	253,390,870
1859	161,424,923	23,281,180	37,987,395	32,471,927	60,110,000	335,894,385

of this group were wheat, flour, corn, meal, pork, and lard. By far the largest portion of the exports was shipped to Europe or Canada. Our combined export trade with South America, Africa, and Asia was relatively small, being but 7 or 8 per cent of the total. In 1855 73 per cent of the country's exports went to Europe, 18 per cent to Canada, 5 per cent to South America, 1.25 per cent to Asia, 1.75 to Oceania, and about 1 per cent to Africa. Of the European countries, England was the best market for American products. During the decade from 1850 to 1860 that country bought twice as much from the United States as did all the other countries of Europe combined. After England, France was our most valuable customer.

**203. Imports.**—The bulk of our imports was made up of manufactured goods, raw materials for manufactures, and such articles as coffee, tea, and spices. Only fifteen to thirty per cent of the trade was in "foodstuffs in crude condition, and food animals, or foodstuffs partially or wholly manufactured." England offered the best market for buying as well as for selling. At least one-half of the goods brought into the United States during the period came from that country.

Intimately related to imports was the tariff. High tariff rates tended to check the import trade, while low rates tended to increase it. The moderate rates of the Walker Tariff are often considered to have been the principal cause of the rapid increase in imports between 1846 and 1861. The ratio of taxed imports to imports admitted free of duty varied considerably from time to time. In 1820 almost 99 per cent of the foreign goods brought into the United States were taxed. In 1830 the percentage was ninety-seven, in 1840, fifty, and in 1855, about eighty-eight. The chief ports of entry were New York, Boston, Philadelphia, Baltimore, and New Orleans. The most important of these was New York; almost one-half of the foreign trade of the United States passed through that port.<sup>1</sup>

<sup>1</sup> For the four years 1855-1859, New York State averaged \$213,577,756 in imports out of the \$324,227,835 of all the United States, or 65.9 per cent of the total.



**204. The Balance of Trade.**— With this hasty view of the foreign commerce of the United States we may pause to consider the principles underlying the balance of trade and the methods whereby these balances were settled. According to the definition found in an earlier chapter, a country's balance of trade (i. e. the balance of trade of its citizens) is the difference between the value of its exports (commodities) and the value of its imports (commodities). When the latter is larger than the former the country is said to have an unfavorable balance — that is, it must pay in money or credit the amount of its excess of importation over exportation. Considering the period 1815–1860, as a whole, therefore, the United States had an unfavorable balance of trade amounting to several hundred million dollars.<sup>1</sup>

In settling this balance the United States (its citizens) resorted to three methods: namely, (1) sending abroad freights earned by American vessels, (2) borrowing money in Europe; (3) exporting gold. The earnings of American vessels were important in this connection, for they were returned to the United States either in gold or in commodities. Thus a country whose vessels earned a hundred thousand dollars a year in foreign trade would find an unfavorable balance against it of the same amount automatically cancelled. Another important factor in settling the balance of trade against the United States was the money borrowed in Europe for the development of the West. As we shall presently see, more than a hundred million dollars of European capital was invested in the banks and the internal improvements of this country. Some of this investment came to the

<sup>1</sup> Professor Bullock indicates the importance formerly attached to the balance of trade as follows: "Mercantilism arose in the period when the precious metals discovered in the New World began to find their way into circulation in the various countries of Europe. One cardinal tenet of the school was that the statesman must exercise special care to secure for his country a sufficient stock of treasure in silver and gold. Spain and Portugal received directly from their colonies the riches that the treasure ships brought each year from the Indies; but England and other countries, whose dependencies contained no mines of the precious metals, could, manifestly, obtain new supplies of specie only by way of trade. For that reason, an excess of exports over imports, which might be settled by an inflow of gold or silver, was considered a "favorable" balance of trade, and became an object of solicitude to statesmen and to writers upon economic subjects." Reprinted in Bullock's *Selected Readings in Economics*, pp. 453.

United States in the form of money, but the greater portion of it consisted of machinery, railroad iron, and other manufactured goods. After 1848, gold from California entered into paying the balances. The export of that metal from the United States in 1830 was \$1,422,664; in 1840, \$3,703,373; in 1850, \$4,560,627; and in 1857, \$65,232,653.

**205. Coastwise Trade.**— The coasting trade of the United States was restricted by law to the vessels of this country. Congress in 1789 discriminated against foreign vessels engaged in this trade, and prohibited it entirely in 1817. As a result of this prohibition, and of the diversity of products between the North and the South, the trade among the Atlantic and Gulf ports was of first importance. By 1820 the tonnage of vessels engaged in this trade exceeded the tonnage of American vessels engaged in foreign commerce. During the next thirty years the growth in each was about the same. In 1860 the foreign commerce tonnage was 2,546,237; that of coastwise, 2,339,857.



An Important Stage in the Development  
of the Steamboat  
(Built by John Fitch in 1798)

The South had few vessels, and for that reason much of the foreign commerce of that section began or ended in coastwise trade. A great deal of the cotton, for example, was shipped by water to New York or other northern ports. A portion was consumed in the mills there; the rest was reshipped to Europe. The same was true to a less extent of tobacco, rice, sugar, and provisions. The North sent to the South in return manufactured goods, both domestic and foreign. The total value of this trade was many million dollars annually.<sup>1</sup>

<sup>1</sup> Because of her trade with the North, the South did not import very much directly from Europe. Of the one hundred and thirty millions of imports from the old world retained for consumption in 1850, the southern slave states consumed only one-sixth. In 1855, the total foreign imports of Virginia amounted to only \$1,250,000, and those of South Carolina to only \$1,750,000.

**206. Commercial Treaties and Legislation.**—The development of American commerce was materially affected by commercial legislation at home and by commercial treaties with foreign nations. Congress sometimes gave American vessels preference over their foreign competitors in the payment of tonnage dues and in the tariff rates on their cargoes. During the decade 1820–1830 the United States made commercial treaties with Great Britain, France, Russia, Sweden Denmark, Portugal, Mexico, and several Central and South American countries. In 1830 England opened her West India ports to American commerce with the result that the value of our exports to those islands increased from \$1,901 in 1830 to \$1,838,327 in 1835, and to \$5,021,143 in 1855. A commercial treaty made with China in 1844 opened five Chinese ports to American commerce.<sup>1</sup> Ten years later (1854) the United States entered into a reciprocity agreement with Great Britain whereby a number of products such as food-stuffs, hides, timber, and ores, were allowed to be shipped across the Canadian border in either direction without paying tariff duties. In the same year (1854), Commodore Perry entered several Japanese ports and succeeded in making a commercial treaty with the government of Japan.

## II. THE MERCHANT MARINE

**207. Ship-Building Industry.**—As in the colonial days, ship-building during this period was an important American industry. It centered principally along the New England coast and in Chesapeake Bay. In building a sea-going vessel, mechanics engaged in as many as thirty trades were employed. It was estimated that at least eighty per cent of the cost of a vessel went to labor, and the remainder for material, equipment, and furnishing. Between 1815

<sup>1</sup> On August 29, 1842, a treaty was signed between Great Britain and China in Nankin for opening the ports of Canton, Amoy, Foochow, Ningpo, and Shanghai to foreign trade. The United States sent an ambassador extraordinary to the court of Peking but he did not go farther than Canton. A treaty was signed between China and the United States embodying all the important privileges England had obtained, and providing, moreover, for the erection of hospitals, chapels, and cemeteries at the five ports, the visit of war vessels to any part of the Chinese coast, and the extension of those privileges to all nations.

and 1840 the best oak ships could be built for about \$40 a ton. After 1840 the price was considerably higher, owing to the expensive manner in which they were furnished, and to the increasing scarcity of good timber.

The period of greatest progress and prosperity in the ship-building industry was between 1845 and 1860. The rapidly increasing commerce of the country created a heavy demand for American ships. During the two years 1854 and 1855 more than a million tons were built in the ship yards of the United States. Quite as important as the increase in tonnage was the increase in the size of vessels. Prior to 1830 a vessel of five hundred tons displacement was exceptional. Few ships equalled that tonnage. The increase in the Chinese and West India trade, and the sharp competition with England, stimulated the building of larger vessels. In 1850 we find a sixteen hundred-ton ship in the California trade.

**208. The Clipper Ship.**—One type of ship peculiarly American and known as the "clipper," deserves attention. This vessel was characterized by its graceful lines and its speed. As early as 1825 an American clipper made the trip from New York to Liverpool in



American Clipper Ship

The clipper ship excelled all other wooden sailing vessels in speed and beauty.

thirteen days; later, another crossed the Atlantic in nine days. "*The Flying Scud*, a clipper of 1700 tons, was accustomed to make the whole voyage to Australia in seventy-six days with a cargo, and in 1854 once ran four hundred and forty-nine nautical miles in twenty-four hours (over eighteen miles an hour)." So fast were these vessels that it was said that they were able to make three trips between New York and Liverpool in the time required by the fastest English built ships to make two. Clippers, however, labored under one disability in competing with heavier and slower types of vessels. Built narrow with tapering bottoms, their carrying capacity was much less than the capacity of square-built vessels of the same length and depth. Usually foreign port laws compelled them to pay excess tonnage dues by requiring that they be measured as if their entire hold were as wide as the upper deck. The American clipper excelled in beauty and speed all other types of sailing vessels, and in spite of discriminations and hostile port laws it held its own even against steam for several years.

**209. Growth of the Merchant Marine.**— Along with the growth of foreign trade and the ship-building industry, went the growth of the merchant marine. American ships sailed every sea and traded with every nation. American sea captains and sailors were recognized the world over for their skill in the "management of wooden-sailing-ships, which natural faculty and more than two centuries of experience may be claimed to have nationally engendered." So rapid was the growth of tonnage after 1837, that by 1861, when the Civil War began, it almost equalled the tonnage of Great Britain and her colonies.

Belonging to the United States . . . . .	5,539,813 tons
Belonging to Great Britain and her dependencies . . . . .	5,895,369 tons
Belonging to all other nations . . . . .	5,800,767 tons

**210. Changes in Ship-Building.**— In the meantime there occurred changes in the ship-building industry which in time neutralized whatever advantages the United States had formerly held in building ships. About 1835, iron began to be used as a ship-building material.

Steam had already been applied to the navigation of ocean-going vessels. Both in the United States and in Great Britain experiments and improvements in the use of iron and steam were carried on, but it was in the latter country that they were eagerly taken up and pushed to success. Fortunately for Great Britain her exhausted timber supply forced her ship-builders to substitute iron for wood.

The reasons for the attitude of indifference taken by the ship-builders of the United States are not difficult to understand. The plentiful supply of timber and the success American vessels had attained in the world's commerce caused them to overestimate their own skill as builders, and to neglect the opportunities to improve their product. By 1850 many American business men and ship owners had become convinced that the use of iron and steam gave vessels greater stability and insured more regular passages. American steam engines, however, were inferior, and the quality of iron needed for ship construction was lacking. For these reasons the building of steam propelled iron vessels in the United States was handicapped. Why then did not American ship-owners buy vessels of British ship-builders? "The answer is, because of so-called navigation laws . . . no American citizen was allowed to import a foreign-built vessel, in the sense of purchasing, acquiring a registry or title to, or of using her as his own property." Just as the Civil War was coming on, when Congress and the people were absorbed in questions of slavery, states rights, and the establishment of new states, the merchant marine of the country began to lose its place alongside that of Great Britain.

### III. THE FISHERIES

**211. Government Aid to the Fisheries.**—The fisheries, during the period 1815–1860, were thought by the federal government to merit special encouragement. The laws imposed but a light tonnage tax on the vessels engaged, allowed salt for curing purposes to be admitted free of duty, imposed a heavy duty on foreign fish, paid bounties to owners of fishing boats, and secured for the citizens of the United States fishing rights on the Newfoundland coast.

**212. The Whale Fisheries.**— For many years whale fishing was a profitable industry. Between 1845 and 1860 it employed over 600 vessels with a total tonnage ranging in different years from 180,000 to 200,000. Its principal centers were Nantucket, New Bedford, New London, Fair Haven, South Hampton, and Stonington. The first whaling-grounds were along the North Atlantic coast, then in



The bark "Kathleen" of New England, Connecticut, sinking in mid-ocean after having been stove in by a monster whale. The flags at the masthead are signals for the whale boats to return.

the Gulf stream, among the West India Islands, and later on the coast of Brazil. When those regions had been worked out, the New England whaler pushed into the Pacific. The great distance of these grounds from the home ports necessitated long voyages, usually extending over a period of two years or more. The captain and crew of a whaling vessel generally worked for a share of the oil and bone. It was unusual for a whaler to return empty handed, and sometimes the catch was exceedingly profitable. *The Montreal*, of New Bedford,

is said to have brought into port in 1853, whale products valued at \$136,000.

**213. Cod and Mackerel Fisheries.**— Less important than whaling were cod and mackerel fishing along the New England coast and on the Newfoundland banks. The vessels engaged in these fisheries were small, seldom exceeding fifty tons each. As in the whaling industry, the crew worked for a percentage of the catch. The men fished with hook and line, spending slack periods and evenings in cleaning and salting the fish. At the outbreak of the war about 50,000 men were engaged in fishing for cod and mackerel, and the annual value of the catch was perhaps \$4,000,000. Boston and Gloucester were the chief centers of this industry.

#### ORAL AND WRITTEN EXERCISES

1. Was the ante-bellum balance of trade of the United States favorable or unfavorable?
  2. How was the balance paid?
  3. What commodities composed the major portion of our exports? Imports?
  4. With which country did the United States carry on the most extensive trade? Why?
  5. What was the relation between the tariff and imports?
  6. Name the chief American seaports.
  7. How was the coastwise trade restricted to American vessels?
  8. Why was the coastwise trade important?
  9. Why were many southern products shipped first to northern ports and then to Europe?
  10. Why did the United States make commercial treaties with foreign countries?
  11. What advantages did Americans have in building ships?
  12. In what respects was the clipper superior to other types of ships?
  13. What changes occurred in ship-building about 1850? How did these changes affect the industry in the United States?
  14. Why did not Americans buy foreign-built ships?
  15. How did the American merchant marine compare with the merchant marine of Great Britain in 1860?
  16. Why did American whalers leave the New England coast?
- 
17. Suggested topics for oral or written report:  
Development of the American Merchant Marine.  
The Ship-Building Industry.



## 18. Important dates:

1844 — Opening of Chinese ports to American trade.

1854 — First commercial treaty with Japan.

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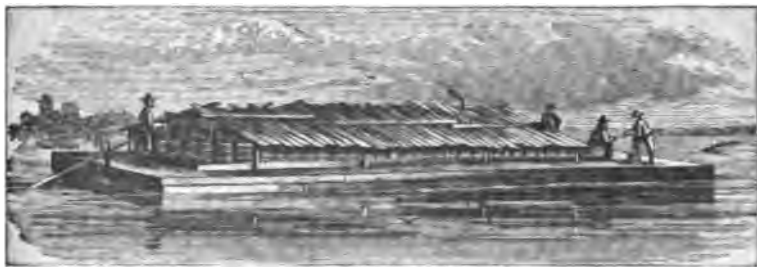
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## CHAPTER XV

### INLAND COMMERCE AND INTERNAL IMPROVEMENTS 1806 - 1860

#### I. RIVER AND LAKE TRAFFIC

**214. Early River Traffic.**—Prior to the invention of the steamboat in 1807 river traffic was necessarily confined to barges, keel boats, and flats; and even after the steamboat had shown its superiority over every other form of river craft, a great deal of the down-river and some of the up-river trade was carried on in the old way. Transportation, travel, and communication by river were more important in the Mississippi Valley than in the regions east of the Alleghenies. The western rivers furnished not only convenient routes for making settlements, but also for a time the only routes by which the settlers could trade among themselves and ship their surplus products to foreign and eastern markets. A western farmer assisted by three or four neighbors would load a flat with provisions, tobacco, or cotton, and float down stream, selling wherever he could find a market. His final destination was New Orleans, then the most important export district in the United States. There he would usually dispose of both cargo and boat, returning home on foot or



Early Travel on the Western Rivers

horseback, or after 1816 by steamboat. Occasionally he would return with a cargo of manufactured goods, laboriously poling his heavy boat up-stream. To make the trip required much courage and months of time. Dangers lurked on every hand. In the earlier years Indians often killed the crew and stole the cargo. Later, river thieves infested the regions.

In the early 30's, Lincoln made such a trip from Illinois to New Orleans. His experiences, which are found in many of his biographies, were similar to those of thousands of other young men of his time.

From an early day some gave their entire time to running flats on the Mississippi. On account of their boisterous manners, uncouth speech, and rough dress they were known to the settlers as "half-man half-horse" men; sometimes as "alligator" men.

**215. Invention of the Steamboat.**—Between 1780 and 1807 many attempts were made, both in Europe and the United States, to build steam-propelled river boats. John Fitch and James Rumsey, working independently, succeeded in showing that steam navigation was possible.<sup>1</sup> Fitch's boat had a paddle wheel at the stern, which later was replaced by upright oars on the sides. In 1786 he made trips on the Delaware. The next year Pennsylvania granted him a fourteen-year patent which gave him the sole right and advantage of making and employing steamboats on the waters of the state. Later, Delaware, Virginia, and New York granted similar patents. Fitch continued to experiment in steam navigation, but he seems to have been unable to make his enterprise pay. He died in 1798.

Rumsey had an entirely different plan for propelling his boat. It provided for pumping water in at the bow and for expelling it violently at the stern. After experimenting on the Potomac he went to England, where, before he died in 1792, he succeeded in making a speed of four miles an hour on the River Thames. These experiments and many others proved the possibility of steam as a motive

<sup>1</sup> There has been a great deal of bitter controversy over the invention of the steamboat. Some claim that the credit for the invention belongs to Fitch; others that it belongs to Rumsey. The heart of the controversy, of course, is the impossibility of fixing the exact date when either had an actual steamboat.

power for water crafts, yet none of them was a success commercially. It remained for another inventor, Robert Fulton, to build a steamboat that would actually carry passengers and freight cheaper and quicker than they could be carried on other kinds of vessels. The credit of inventing the steamboat, therefore, must be given to Fulton, who, in 1807, proved beyond a doubt that steam navigation was practicable, when his boat, the *Clermont*, made the trip from New York to Albany, a distance of one hundred and fifty miles, in thirty-two hours.<sup>1</sup>

**216. Development of River Traffic.**—Fulton and his partner, Chancellor Livingston, who had secured a monopoly of the Hudson River trade, did not stop with building the *Clermont*. Soon they added other steamboats larger and better equipped. In 1811 they launched at Pittsburgh the first steamboat on western waters, the *Orleans*, which the next year made the trip from that city to Louisville in seventy-two hours, and later to New Orleans in fourteen days. For three or four years, attempts to ascend the Mississippi with cargoes and passengers were but partially successful. Improvements in building boats and machinery, however, finally overcame all obstacles, so that in 1815 the *Enterprise* made the trip from New Orleans to Cincinnati in twenty-eight days. About the same time Fulton and Livingston were forced to give up all monopolistic rights of steamboat navigation in the United States.<sup>2</sup>

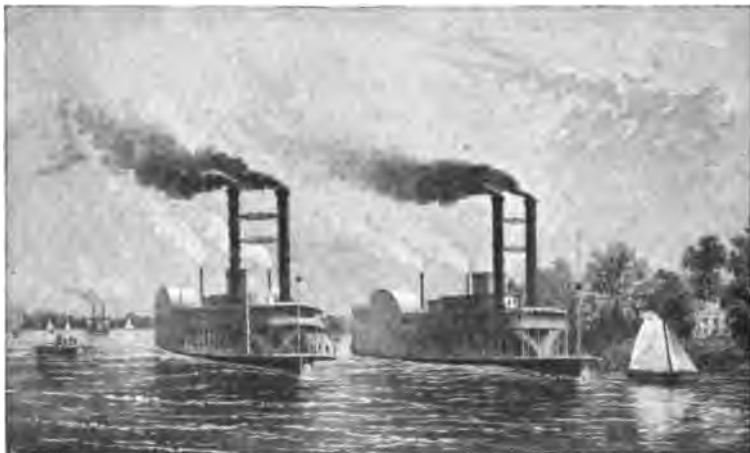
The effect of the steamboat on river traffic was immediate and lasting. In the West the passenger fare from New Orleans to Pitts-

<sup>1</sup> Fulton himself described the trip as follows: "My steamboat voyage to Albany and back has turned out rather more favorably than I had calculated. The distance from New York to Albany is one hundred and fifty miles. I ran it up in thirty-two hours, and down in thirty. I had a light breeze against me the whole way, both going and coming; and the voyage has been performed wholly by the power of the steam-engine. I overtook many sloops and schooners beating to windward, and parted with them." Reprinted in Bogart and Thompson's *Readings in Economic History of the United States*, p. 251.

<sup>2</sup> In 1824 the Supreme Court of the United States furthered steamboat navigation by declaring in the case of *Gibbons vs Ogden* that the Hudson, and consequently all other rivers of the United States, belonged to the people and could be freely navigated by all.

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burgh was reduced from one hundred and sixty dollars to thirty dollars and even less; freight charges between the same points, in the same direction, declined from one hundred and forty dollars to twenty dollars a ton. In 1856 there were on the Mississippi and its tributaries more than a thousand steamboats valued at twenty million dollars. Similar developments in the growth of the number of vessels



"Floating Palaces" of the Western Rivers

and in the reduction of fares and freight rates took place on the eastern rivers and in the gulf region.

**217. New Orleans.**— Although eastern cities felt the importance of increased business caused by the steamboat, none of them relied so directly on it as did New Orleans. The people of the Mississippi Valley looked to that port as a market for their surplus products. Their prosperity was intimately bound up with the prosperity of its merchants and shippers. New Orleans was not only the largest and most important city in the West, but until the outbreak of the Civil War it was the leading export city in the United States. Its levee presented a commercial activity unequaled, so foreign travelers said,

in any other port in the world.<sup>1</sup> Every year millions of pounds of cotton and millions of dollars worth of foodstuffs were loaded there for the eastern and European markets.

#### VALUE OF EXPORTS OF PRINCIPAL CUSTOMS DISTRICTS, 1860

District	Value of Exports
Boston . . . . .	\$12,747,945
New York . . . . .	80,047,978
Philadelphia . . . . .	5,526,967
Baltimore . . . . .	8,940,100
New Orleans . . . . .	108,164,812

**218. Steamboat Passenger Service.**— In developing the steamboat, a great deal of attention was given to the passenger service, though the carrying of freight was more profitable and added more to the industrial growth of the country. The first steamboats on the Hudson were employed principally in carrying passengers to and from the city of New York. Likewise on the Delaware and other eastern rivers the first consideration was given to this service. But because of greater distances to be traveled, more attention was given on the Mississippi River than in the East to the comfort of passengers. Western steamboats came to be known as the “floating palaces” of America. Travel on the Mississippi and Ohio combined pleasure with business. Spring and fall saw thousands of planters, merchants, and professional men making their regular trips up and down these rivers. The spacious dining-rooms with their rich equipments served as dance halls during the evening, and often as sleeping quarters at night. Drinking and gambling were common. The card shark with his “parson’s coat and countenance” seemed to be as indispensable to a Mississippi River steamboat as was the bellowing

<sup>1</sup> One English traveler was very enthusiastic about the importance of New Orleans. “It may be doubted whether any river in the world can exhibit so magnificent a spectacle as the Mississippi in this respect. There are more ships in the Thames, but the finest and largest of these are usually in the various docks. . . . There are as many vessels, perhaps, in the Mersey, but these are nearly all in dock, and the river is comparatively bare. The Tagus is a broader stream, but its shipping is neither so numerous nor so fine; and even New York . . . is not so striking as New Orleans, when a greater number of large, handsome, and fine vessels seemed to me to line the magnificent curve of the Mississippi, than I had ever before seen in any other port.” Buckingham, J. S., *The Slave States of America*, vol. I, p. 325.

calloope. Gradually there grew up on the western rivers heated rivalry among owners and crews. Each line of passenger boats advertised the most luxurious quarters, the best food, and the fastest time. Owners stopped at no expense for equipment; while crews at the risk of the lives of the passengers as well as of their own often fed the boiler fires with pine knots and pitch in order to outdistance their rivals.<sup>1</sup> Nothing caused more excitement along the river than a race between well-matched steamboats of competing lines.

**219. Lake Commerce.**— In 1816 the first lake steamer was built on the waters of Lake Ontario. Two years later the *Walk-in-the-Water* was launched on Lake Erie. The completion of the Erie Canal in 1825 so stimulated emigration westward as to cause more boats to be built on the lakes. In 1830 the total tonnage was 11,106. Up to this time the principal business of lake vessels had been to carry settlers and Indian supplies westward. By 1840, however, some five hundred miles of canals had been completed connecting the lakes by two lines with the Ohio. Then began the movement of foodstuffs from the old Northwest Territory to the eastern markets. In 1840, Ohio alone shipped by the lakes, freight equivalent to four million bushels of wheat. At that date the lake tonnage was 54,199. The next

<sup>1</sup> John Hay, one of the ablest of our secretaries of state, gives a vivid picture of boat racing on the Mississippi in *Jim Bludso*, one of the famous Pike County Ballads. Two stanzas of this poem follow:

All boats has their day on the Mississipp,  
 And her day come at last,—  
 The Movastar was a better boat,  
 But the Belle she *wouldn't* be passed.  
 And so she come tearin' along that night —  
 The oldest craft on the line —  
 With a nigger squat on her safety-valve,  
 And her furnace crammed, rosin and pine.

The fire bust out as she cleared the bar,  
 And burnt a hole in the night,  
 And quick as a flash she turned, and made  
 For that willer-bank on the right.  
 There was runnin' and cursin', but Jim yelled out,  
 Over all the infernal roar,  
 "I'll hold her nozzle agin the bank  
 Till the last galoot's ashore."

decade saw the lakes connected with the interior regions to the north by numerous railroads, which, like the canals, served to increase lake traffic. As railroads, canals, and population spread westward, lake trade developed rapidly. Chicago, Milwaukee, Detroit, Cleveland, and Buffalo became important trading centers. In 1850 the lake tonnage totaled 198,266; in 1860 it was 467,774.

**220. The Telegraph.**—An invention of this period which did much to improve the means of communication was the magnetic telegraph. Its first practical application was in 1844, when news of Polk's nomination was sent from Baltimore to Washington. Soon telegraph wires connected all the principal cities, with the result that important events in any one section of the country became known immediately in every other section.

## II. INTERNAL IMPROVEMENTS

**221. Causes for Internal Improvements.**—The demand for internal improvements was the logical outcome of the westward movement. Many of the Atlantic seaboard states and cities projected systems of canals and railroads, and in almost every case they had for their ultimate object the connection of the East with the regions west of the Alleghenies. From the West came a demand for better means of transporting farm products to the eastern markets. On the one hand there were the manufacturing and commercial interests of the East desirous of selling goods to the western settlers; on the other, the settlers themselves just as desirous of selling their surplus food-stuffs in the East.

The East made the first attempts to build internal improvements. New York, Philadelphia, Baltimore, and Boston each desired to be the first to tap the western trade. Each appealed to its own state for assistance. New York reached western waters first with the opening of the Erie Canal in 1825. Nine years later (1834), Philadelphia opened the way to Pittsburgh by a series of canals and railroads. In 1850 rail connection between Boston and Albany was established.



## 250 INLAND COMMERCE AND INTERNAL IMPROVEMENTS

Already, in 1842, the Baltimore and Ohio Railroad had reached Cumberland, Maryland; in 1853 it reached the Ohio River. In the South, Charleston projected a railroad westward in 1830. It was soon built to a point opposite Savannah, Georgia.

**222. The Erie Canal.**— Of the various internal improvements the Erie Canal stands pre-eminent on account of its influence: (1) on the building of other internal improvements; (2) on the growth of New York City; (3) on the development of the West. Since the colonial period, public spirited men of New York had agitated the building of a canal between the Hudson River and Lake Erie. They realized that the low watershed near the lake and the gently sloping Mohawk Valley made such an undertaking not only possible but easily carried out. It was not until 1816, however, that the state authorities took up the matter in earnest. The next year the canal was begun, and in 1825 it was opened to traffic.

The completion of the Erie Canal and its assured success both in the matter of stimulating trade and of furnishing revenue to the state, encouraged the western states to undertake systems of internal improvements and the eastern states to push theirs with greater energies. Ohio, Indiana, and Illinois took up the work of connecting the Great Lakes with the Mississippi Valley, while Pennsylvania and Maryland redoubled their efforts to reach the headwaters of the Ohio.

Though many elements entered into the growth of the city of New York, the Erie Canal was undoubtedly one of great importance. Beginning in 1825 with the opening of the canal, the commercial activities of New York developed with marked rapidity. No other port except New Orleans had any important share of the western trade. With her deep harbor on the one hand and the Erie Canal on the other, New York City became the logical gateway of America for foreign trade.

In addition to stimulating the building of internal improvements in the West, the Erie Canal was directly responsible for the growth and development of the lake region. Prior to the completion of the

canal, lake trade was largely local. Settlers preferred the Mississippi Valley with its New Orleans market. The opening of the canal, however, diverted a portion of the stream of emigration to the northern region. Settlers could now locate along the lakes without great difficulty and expense, and they found that the canal gave them an outlet for their surplus products.

The importance of cheap freight rates in the development of the West can hardly be overestimated. Before the canal was built, the charge for transporting a bushel of wheat from Buffalo to New York was about three dollars. Immediately after the completion of the canal, it fell to less than fifty cents and later to only a little more than ten cents. Likewise the time required for transporting goods from New York to Buffalo was reduced from twenty days to six days.

**223. Other Canals.**— Practically all the states east of the Mississippi River built canals at great expense. Most of them aided in developing the resources of the country, while a few earned enough tolls to pay for their construction and maintenance.

#### IMPORTANT CANALS IN THE UNITED STATES, 1860

Canal	Points Connected	Miles of Navigation
Erie . . . . .	Albany-Buffalo . . . . .	350
Pennsylvania . . . . .	Columbia-Hollidaysburg . . . . .	232
	Johnstown-Pittsburgh	
Chesapeake and Ohio . . . . .	Georgetown, D. C.-Cumberland, Md. . . . .	185
Ohio and Erie . . . . .	Portsmouth-Cleveland . . . . .	307
Wabash and Erie . . . . .	Toledo, Ohio-Evansville, Indiana . . . . .	470
Illinois and Michigan . . . . .	Chicago-LaSalle, Illinois . . . . .	102

**224. Wagon Roads.**— Many of the states also included in their internal improvement schemes the building of railroads and wagon roads. The former will be noticed in another connection. The wagon road was older as a public work than either the canal or the railroad. Even before the Revolutionary War several of the colonies had provided for good wagon roads on an extensive scale. The federal government directed its attention early to building overland routes to the West. In 1806 the Cumberland Road was projected to extend from Cumberland, Maryland, to some point west of the Mississippi River. From time to time the government granted funds

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for its construction until in 1830 it had reached Vandalia, the capital of Illinois. Alton and St. Louis then engaged in a heated controversy over the point where it should cross the Mississippi. The federal government, becoming tired of the dispute, dropped the project, leaving it to the state to complete. Midway between the lakes and the Ohio River, the Cumberland Road, which in its western portion was little more than a widened bridle path with poorly constructed grades and bridges, served as an important overland route to the West. It opened up sections of the country which otherwise would not have been accessible to settlers for many years to come.<sup>1</sup>

The states likewise gave attention to wagon roads. Turnpike companies were authorized to build roads and bridges and to charge toll. Other roads were built with state funds and thrown open to the public. In all the states, county authorities were empowered to levy taxes for surveying, building, and repairing highways, and even to call out the voters each year to work on them.

**225. Federal Aid for Internal Improvements.**—The government not only built the Cumberland Road, but it granted aid to similar enterprises in other parts of the country, and encouraged the building of canals. After a time those who believed in a strict construction of the Constitution opposed further aid in this direction. A great deal of discussion followed, which culminated in 1830 in a bitter feeling when President Jackson vetoed a bill granting funds to build a road known as the Maysville Turnpike.<sup>2</sup>

With the withdrawal of government aid to the construction of internal improvements, the states were compelled to take up the work. Some of the results of state enterprise have been noted already; others will be discussed in connection with the building of railroads.

<sup>1</sup> Important cities located on Cumberland Road: Terre Haute and Indianapolis, Indiana, Columbus, Ohio, Wheeling, West Virginia, Cumberland, Maryland.

<sup>2</sup> President Jackson objected chiefly on the ground that expenditure of federal funds for internal improvements was unconstitutional. "If it be the desire of the people that the agency of the Federal Government should be confined to the appropriation of money in the aid of such undertakings, . . . then the occasion, the manner, and the extent of the appropriations should be made the subject of constitutional regulation." Reprinted in Richardson's *Messages and Papers of the Presidents*, vol. II, p. 492.

## III. DEVELOPMENT OF RAILROADS.

**226. The Railroad as an Internal Improvement.**—Several of the states, notably Pennsylvania and Illinois, included railroads in their systems of internal improvements. In none of them, however, were the railroads in their construction and operation as successful as canals. Illinois, for example, projected more than a thousand miles of road on which she spent millions of dollars on rights of way, roadbeds, and bridges. The total result was a poorly constructed railroad fifty miles in length which sold at auction for less than five hundred dollars a mile.

In all systems of internal improvements, the railroad was considered only as a feeder for lake, river, and canal commerce. It was regarded by many as impracticable, and in many quarters it was held that it never could compete with the canal in freight and passenger service. Some even opposed the railroad on the ground that the high speed of fifteen or twenty miles an hour would be fatal to wagons, road, and loading, as well as to human life. Perhaps the strangest argument against building railroads was that no one would feel safe in making improvements along the line since the road was likely at any time to be forced to quit business by a rival road. Occasionally the scheme was ridiculed as preposterous. A New Englander wrote: "Only *one* English engine *alone* costs \$2000, which sum the whole of our apparatus does not much exceed, as figures will prove; for seven hundred good chestnut rails at three dollars, amounts to only twenty-one dollars, and it ought to be remembered that this is *all* the expense we are at, and the inference is conclusive in our favor. We place our rails fifty to the mile by the side of the road, to pry out the wheels when they get stuck, and hoist behind when wanted."

**227. The Baltimore and Ohio Railroad.**—The first successful attempts in the United States to build and use what may be called railroads were made in Pennsylvania and Massachusetts. It remained, however, for the Baltimore and Ohio to prove conclusively that railroads were practicable, and for that reason we may well call it the pioneer railroad of the United States.



This railroad was the outcome of a desire on the part of the business interests of Baltimore and Maryland to trade with the Ohio Valley. It was begun on July 4, 1828. The venerable Charles Carroll in throwing the first shovelful of earth is said to have remarked to a friend, "that he considered it among the most important acts of his life, second only to his signing the Declaration of Independence, if even it were second to that." Two years later (1830), twelve miles of the road were opened to travel. By 1832 it had been extended to Point of Rocks, seventy-three miles west of Baltimore.

The builders of the road were compelled to make costly experiments and to surmount many obstacles. At first they employed horses to draw the cars. Then sails were tried. Finally, by offering a prize of four thousand dollars, the directors secured a locomotive engine that would draw fifteen tons at the rate of fifteen miles an hour. Difficulties were also encountered in building the roadbed and in providing satisfactory rails. Stone rails on which were fastened strips of iron were tried. Stone was replaced by wood when it was found that the track lacked elasticity. Even then the rails were unsatisfactory, for the straps often came loose and wound around the wheels forming what were called "snake heads," which sometimes pierced the car floor, endangering the lives of the passengers. In yet other ways the progress of the road was blocked. When it was seen that it would rival the Chesapeake and Ohio Canal, many of the people of the state opposed its extension. In spite of opposition and mechanical difficulties, however, the road was extended westward until it reached the Ohio River in 1853.

The same obstacles that had to be overcome in building the Baltimore and Ohio Railroad were met in other sections of the country. Everywhere the same experiments had to be carried on. No one section had an advantage in material and mechanical skill. The New York Central Railroad was hampered in its operation for years by being required by law to charge, in addition to its regular rates, the tolls that would have been paid had the goods gone by canal. The legislature thought, in enacting the law, to prevent undue competition with the Erie Canal.

**228. Early Railroad Development.**—Although we have called the Baltimore and Ohio the pioneer railroad of the United States, it must not be thought that early developments in other sections and states were not going forward at the same time. The South Carolina Railroad, which extended from Charleston to Hamburg, a distance of one hundred and thirty-six miles, was opened in 1833. At that time it was the longest railroad in the United States. Three years before, a locomotive engine had been put in operation on eight miles of the track near Charleston. In other states, railroads were being opened to traffic. Everywhere in the East enterprising men were proposing that great trunk lines be built to the Mississippi River and even from New England to the Gulf of Mexico.

## RAILROAD MILEAGE OF THE UNITED STATES

Year	Mileage
1830 . . . . .	23
1840 . . . . .	2,818
1850 . . . . .	9,021

Canals and wagon roads as we have seen, were built largely with public funds. Railroads, however, were almost exclusively the result of private enterprise. Stock companies and corporations chartered by state legislatures built the roads primarily with the thought of private gain, though, in many cases, states and cities loaned the companies money, and occasionally contributed funds outright.

**229. Growth of Railroads, 1850–1860.**—During the last ten years prior to the beginning of the Civil War, the growth of railroad mileage and the improvements in rolling stock and roadbed were phenomenal. From 9,021 in 1850 the total number of miles grew to be 30,793 in 1860.<sup>1</sup> At the end of the decade eight lines connected the Atlantic seaboard with the Mississippi Valley. In 1850 the only important western railroad extended from Sandusky to Cincinnati. Ten years

<sup>1</sup> Railroad mileage by sections, 1860:

New England states . . . . .	3,670
Middle Atlantic states . . . . .	6,321
Southern Atlantic states . . . . .	5,454
Gulf states . . . . .	2,257
Interior states (south) . . . . .	1,805
Interior states (north) . . . . .	11,212
Pacific states . . . . .	74

later lines radiating from the lakes touched the Mississippi at *ten* and the Ohio at *eight* different points. After January, 1860, a traveler might have gone by rail from Bangor, Maine, to New Orleans in seventy-two hours. At the outbreak of the war, the longest railroad in the country under one management was the Illinois Central. Its main line and branches totaled seven hundred and forty miles. Other important lines were the New York Central (555 miles), Michigan Southern (485 miles), Mobile and Ohio (482 miles), New



*By Courtesy of New York Central Lines*

#### Early Travel on the New York Central Railroad

The first passenger coaches were modifications of the stage coach. Notice the passengers sitting on the tops of the coaches.

York and Erie (465 miles), Baltimore and Ohio (420 miles), Pennsylvania (360 miles), Memphis and Charleston (292 miles), Louisville and Nashville (245 miles), South Carolina (242 miles), and Georgia Central (232 miles).

#### IMPORTANT RAILROAD CONNECTIONS

1841 Boston and Albany.	1853 New York and Chicago.
1848 Lake Erie and Ohio River.	1854 Lake Michigan and Ohio River.
1849 New York and Boston.	1854 Lake Michigan and Mississippi River.
1851 New York and Lake Erie.	1859 Missouri River reached.

There were also notable improvements in equipment and road-bed. The "T" rail had already proved its superiority over every other



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type. Engines and cars were heavier than formerly, and had greater carrying capacity. The speed of trains was becoming greater. Passenger cars were more commodious and better heated. On some of the lines sleeping cars were provided.

Great as were the developments during the decade, the railroads of 1860 scarcely merit comparison with the present day trunk lines.



Development of the Railroad Rail

The rail to the left was generally used about 1835. Notice the change of character and the increase in size from left to right. The largest rail, the one on the right, is now used on the more important railroads.

They were short and disconnected, thereby causing numerous delays and many transfers; there was no uniformity of gauge (distance between the rails);<sup>1</sup> the speed was comparatively slow; little provision was made for food and sleeping quarters on the trains.

<sup>1</sup> Even continuous lines gave no assurance that freight cars or passenger coaches could be transferred from one line to another, for transferring was possible only when the roads concerned had the same gauge.

## ORAL AND WRITTEN EXERCISES

1. Locate Albany, Buffalo, Chicago, Milwaukee, Cleveland, Cumberland (Md.), Vandalia (Ill.), Alton, Charleston, Savannah, Hamburg.
  2. Show the approximate location of the most important canals.
  3. Locate the Cumberland Road.
  4. Why as routes of travel and transportation were the western rivers more important than eastern rivers?
  5. Describe early attempts to build steamboats.
  6. Why were these attempts unsuccessful?
  7. Why were the first efforts to ascend the Mississippi River with steamboats unsuccessful?
  8. How did steamboat traffic affect passenger and freight rates on the Mississippi River?
  9. Why was New Orleans an important export market?
  10. What was the effect of the steamboat on lake traffic?
  11. Why were eastern cities desirous of building internal improvements westward?
  12. How did the Erie Canal affect the development of New York City?
  13. What was the experience of the state of Illinois in building railroads?
  14. What objections were urged against railroads?
  15. What obstacles did early railroad builders meet?
  16. What improvements had been made in railroads by 1860?
- 

17. Suggested topics for oral or written reports:  
Effects of the Steamboat on American Life and Industry.  
The Erie Canal.
- 

18. Important dates:  
1807 — Invention of the steamboat.  
1825 — Opening of the Erie Canal.  
1828 — Beginning of the Baltimore and Ohio Railroad.  
1853 — New York and Chicago connected by railroad.

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CHAPTER XVI  
BANKING AND THE CURRENCY  
1790-1860

**I. FIRST AND SECOND UNITED STATES BANKS**

**230. Hamilton's Report on the Bank.**— Soon after the national government had been organized, Alexander Hamilton, Secretary of the Treasury, laid before Congress a plan for organizing a United States bank. At that time (1790), there were but three banks in the United States: one at Philadelphia, another at New York, and a third at Boston. The Constitution provided that the states should not issue bills of credit, and it was the decided opinion of many of the leading men of the time that the national government ought not to emit any kind of paper money even though the Constitution empowered it to do so. To remedy the defects caused by a lack of banking facilities and by a scarcity of money, Hamilton proposed that the government establish a national bank for a limited term of years, and give to it, as far as was possible, a monopoly of the banking business of the country. He pointed out that such an institution would (1) provide a uniform currency of known value, (2) furnish funds for the development of the industries of the country, (3) facilitate the transfer of money from one section of the country to another, and (4) aid in paying the interest on the public debt.

**231. First United States Bank.**— Friends of the bank in Congress offered a bill for its establishment. At once the strict constructionists led by James Madison raised objections to the bill. They argued that the national government had no power under the Constitution to establish such a bank. In spite of this opposition, however, Congress voted to charter the bank, and sent the bill to the President for his consideration. Washington examined the matter with care. He

consulted his cabinet, and asked each member for a written opinion on the advisability of signing the bill. Hamilton and General Henry Knox (Secretary of War) declared the measure to be constitutional. Thomas Jefferson (Secretary of State) and Edmund Randolph (Attorney General) held that it was unconstitutional. Washington



First Bank of United States, in Third Street, Philadelphia, 1800 (site now occupied by Girard National Bank)

then approved the bill, though the members of Congress from his own state had voted against it.

Accordingly the First United States Bank was established in 1791 for twenty years with its principal banking house at Philadelphia. Its capital stock was \$10,000,000, one-fifth of which was to be subscribed by the national government and paid for in annual installments. Directors were required to be citizens of the United States,

and foreign stock holders could vote only in person. The bills and notes of the bank were made receivable in payment of all debts to the United States.<sup>1</sup>

The success of the bank justified in every way its establishment. It lived up to the claims Hamilton had made for it in his report. The government realized more than a million dollars profit in the form of dividends and premium. Despite its success there nevertheless remained the conviction in many quarters that the bank was



Note of First United States Bank

unconstitutional. Accordingly, when Congress in 1811 took up the bank's request for a new charter, each house, by a majority of one, voted not to renew it beyond its original period of twenty years.

**232. Organization of the Second United States Bank.**— Between the expiration of the charter of the First United States bank in 1811,

<sup>1</sup> Washington was well pleased with the manner in which the bank got under way. In a letter to David Humphreys, dated Philadelphia, July 20, 1791, he says: "Our public credit stands on that ground, which three years ago it would have been a species of madness to have foretold. The astonishing rapidity with which the newly instituted bank was filled, gives an unexampled proof of the resources of our countrymen, and their confidence in public measures. On the first day of opening the subscription, the whole number of shares (twenty thousand) were taken up in one hour, and application made for upwards of four thousand shares more than were granted by the institution, besides many others that were coming in from different quarters." Sparks' *The Writings of George Washington*, vol. X, p. 172.

and the establishment of the Second United States bank in 1816, the finances of the country were in a bad way. Numerous state banks sprang up in 1810, 1811, and 1812, only to be forced by the War of 1812 to suspend specie payments — that is, to refuse to pay specie for their notes. Only the New England banks continued to redeem their notes on demand. The government found it necessary to use this irredeemable paper; and its use caused other state banks to organize and issue notes, though they often had no specie and little prospect of getting any. The result can easily be imagined. The only money in circulation was paper. South of New England it was depreciated from twenty-five to seventy-five per cent, its value depending largely on the willingness of the government to receive it for customs dues, and on the confidence of the people in the issuing banks. Consequently business was demoralized and uncertain. Merchants and shippers failed. Even the farmers suffered for a lack of sound money.<sup>1</sup>

Such a state of affairs caused the people to demand the establishment of another United States Bank. Congress investigated the matter with care, and approved it. Accordingly in 1816 President Madison signed the Second United States Bank bill. The bank charter provided: (1) that the capital stock should be \$35,000,000, one-fifth of which was to be held by the United States; (2) that the directors of the bank might establish branches; (3) that the notes of the bank should be receivable by the United States in payment of imposts and other duties; (4) that the bank should transport government funds to different sections of the country and assist the government in negotiating public loans; (5) that the moneys of the government should be kept deposited in the bank unless the secretary of the treasury should otherwise direct; (6) that no notes under \$5 should be issued; (7) that no other bank should be chartered by Congress during the period of the charter, which was to run twenty years.

<sup>1</sup> Interesting accounts of state banking may be found in Hildreth's *History of the United States of America*. See vol. III, pp. 229, 230. Consult also the Index for other references.

**233. Opposition to the Bank.**— The Second National Bank began business on January 7, 1817, under discouraging circumstances. Times were hard; business was demoralized. State banks, fearful of competition, hindered the bank at every step. In 1819 a congressional committee recommended that the bank's charter be repealed. Fortunately the resolution failed of passage and the matter was dropped. About the same time, several of the states undertook to tax the branches of the bank which had been established in their jurisdiction. In Ohio a state officer actually entered the bank's vault and carried away money enough to pay the tax. The bank appealed to the law for redress. Several cases were carried to the Supreme Court of the United States. There Chief Justice John Marshall, speaking for the court, laid down the decision that the states had no right to tax the branch banks. The most famous of these cases are known as *McCulloch vs. Maryland* (1819) and *Osborn vs. the United States Bank* (1824).

**234. The Bank War.**— Opposition had one good effect in that it caused the bank officials and directors to exercise greater care in managing its affairs. In 1823 Nicholas Biddle was made president of the bank, and under his administration it became sound and strong. During the next five or six years opposition seems to have almost disappeared, though here and there, particularly in the South, the opinion was held that the establishment of the bank had been unconstitutional. In neither of the presidential campaigns of 1824 and 1828 was the bank a political issue, but in 1829 President Jackson in his first annual message, recommended that Congress should take into consideration the constitutional difficulties which might interfere to prevent a recharter of the bank.

Up to this time, Jackson appears to have taken but a mild interest in the affairs of the bank. Events were shaping themselves, however, which would finally cause him to oppose it. The president's so-called "kitchen cabinet"<sup>1</sup> advisers were violently hostile to the bank,

<sup>1</sup> Jackson's so-called kitchen cabinet was a small group of friends whose advice he often asked concerning affairs of state. Not one of these friends was in the cabinet.



because, it was said, they were not allowed to manage its business. They told Jackson that the bank was opposed to his administration, and that it was attempting to control the political policies of the country. Jackson was persuaded that such was the case. He believed that the bank was endangering the people's liberties; hence he determined to oppose its recharter.

Jackson seems to have been willing that the bank should con-



Andrew Jackson  
Born 1767. Died 1845

tinue to carry on its operation until the expiration of its charter. His political opponents, who believed that a majority of the people favored the bank, determined to force his hand. Accordingly in July, 1832, Congress voted to renew the bank's charter, hoping perhaps that Jackson would veto the bill and thereby destroy his chances for re-election. The President accepted the challenge. On July 10, 1832, he vetoed the bill on the ground that the bank was a monopoly, and that its recharter would be unconstitutional.<sup>1</sup> Henry Clay, candidate for president on the National Re-

publican ticket, was a strong supporter of the bill. Hence the question of retaining or abolishing the bank was the real political

<sup>1</sup> In vetoing the bank bill, President Jackson wrote: "It [the bank] enjoys an exclusive privilege of banking under the authority of the General Government, a monopoly of its favor and support, and, as a necessary consequence, almost a monopoly of the foreign and domestic exchange . . . . If our government must sell monopolies, it would seem to be its duty to take nothing less than their full value, and if gratuities must be made once in fifteen or twenty years let them not be bestowed on the subjects of a foreign government nor upon a designated and favored class of men in our own country." Reprinted in Richardson's *Messages and Papers of the Presidents*, vol. II, pp. 576, 577.

issue of the campaign. The result of the presidential election of 1832 was a complete surprise to the ablest politicians. Jackson defeated Clay by a large majority. His election appeared to show that the people agreed with him on the bank question. Certainly it strengthened his conviction that the institution was a menace to the country and that it ought to be abolished.

**235. Removal of the Deposits.**—Soon after Jackson's second inauguration (1833), he consulted his cabinet about removing the government deposits from the United States bank. Some favored the proposal, some opposed it. Jackson seemed to be convinced that the bank was unsound and that the government deposits were in danger of being lost. He, himself, however, could not remove the deposits. Only the secretary of the treasury had that authority, and he was unwilling to exercise it. Jackson then appointed another secretary who, like his predecessor, refused to comply with the wishes of the President. Not to be balked by one of his cabinet, Jackson dismissed the Secretary and in his place he appointed Roger B. Taney. It was then ordered that public deposits "after the 1st of October [1833] be made in the State banks, but that it is contemplated not to remove at once the whole of the public money now on deposit in the Bank of the United States, but suffer it to remain there until it shall be gradually withdrawn by the usual operations of the Government." The state banks referred to in the foregoing order were afterward known as "pet banks."

The removal of the deposits raised a storm of protest. In the spring of 1834, Clay succeeded in having the Senate pass a resolution which severely censured Jackson for the part he had taken in the matter. The President in turn requested to have spread on the *Senate Journal* a protest against the resolution. The Senate refused the request. During the remainder of Jackson's administration, Senator Benton of Missouri urged his colleagues in vain to expunge the resolution from the records. At a midnight session less than two weeks after "Old Hickory" had left the White House the secretary of the senate acting under orders of the Senate "proceeded in open

Senate to draw a square of broad black lines around the sentence, and to write across its face, in strong letters these words: 'expunged by order of the Senate this 16th day of March, 1837.' "

These two resolutions — the resolution of censure and the expunging resolution — caused heated discussions in and out of Congress, and did much toward shaping the political policies of the time.<sup>1</sup>

**236. Merits of the Second United States Bank.**— The opponents of the bank may have been correct in saying that its officers were too much interested in politics, yet their assertions that the institution was unsound and that it had failed to better financial and industrial conditions appear to have been quite wrong. The bank furnished a sound and uniform medium of exchange, it assisted the government in transferring funds, and it lent financial aid to industry. In 1836 the bank secured a charter from Pennsylvania. Five years later it closed its doors.

#### THE GOVERNMENT AS A STOCKHOLDER IN THE SECOND UNITED STATES BANK

Bonus paid by bank to the United States . . . . .	\$1,500,000.00
Dividends received from the bank . . . . .	7,118,416.29
Proceeds of stock sold and other moneys received from the bank . . . . .	9,424,750.78
Total . . . . .	<u>\$18,043,167.07</u>
Subscription to capital stock paid in United States . . . . .	
5 per cent bonds . . . . .	\$7,000,000
Interest paid by United States on same . . . . .	4,950,000
	<u>11,950,000.00</u>
Profit on investment . . . . .	<u>\$6,093,167.07</u>

## II. ERA OF STATE BANKING

**237. Growth of State Banks.**— Jackson's veto of the bank bill in 1832 stimulated the establishment of state banks in all sections of the country. Between 1834 and 1837 some two hundred new banks

<sup>1</sup> The censure of March 28, 1834, reads in part: "Resolved, that the President in the late executive proceedings in relation to the public revenue, has assumed upon himself authority and power not conferred by the constitution and laws, but in derogation of both." This resolution Senator Benton declared illegal, unjust, of bad example, indefinite, vague, and irregularly and unconstitutionally adopted.

were organized. Note circulation increased more than \$60,000,000. In the West and South numerous "wild cat" banks with little or no capital sprang up. As soon as it became known in 1833 that the United States Bank would soon cease to be a public depository, many state banks were organized primarily for the purpose of securing the public deposits.

In the New England and middle states, banking during this period was very generally carried on along conservative lines very much as it is at the present time. Bankers in those sections were usually men of wealth and standing. The more careful ones did not issue a greater amount of bank notes than they could readily redeem, though in the smaller cities, and in the country districts, banks sometimes put out more notes than their reserves of gold and silver justified, trusting that they would not be presented for redemption. In the West and South early state banking was even more speculative. To finance internal improvements and to meet the needs of expanding business developments, large sums of money were required. This many of the states supplied by creating banks with authority to issue millions of dollars of notes. Often the reserves back of them were land and state bonds, neither of which could be used for redeeming notes. Consequently the methods of banking in those regions were on the whole unsound, for bank notes to be acceptable at their face value must be redeemable on demand in *specie*.

**238. Distribution of the Surplus Revenue.**— The rapid growth of population and the rapid development of industry after peace with Great Britain in 1814 made possible the payment of the last of the public debt in 1835. Consequently, the government was confronted with the necessity of modifying the tariff so as to reduce the revenue, or of finding new sources of expenditure. The manufacturing interests were prepared to resist further lowering of the tariff rates, while members of Congress saw no need of increasing the ordinary expenses of the government. Hence they favored the proposition, which was not a new one by any means, of dividing the surplus revenue among the states. In 1829 Jackson had endorsed the plan, even

going to the point of recommending that the Constitution be amended so as to remove all doubts of its constitutionality.

The states, very generally, were anxious to share in the distribution. Many of them had already incurred heavy debts in establishing banks, and in building internal improvements. A few were practically bankrupt. The chief opposition was political. Opponents of Jackson and his administration opposed the scheme. The payment of the public debt, the large revenues from the tariff,



Early State Bank Note

and the growing receipts from the sale of public lands after 1830, increased the surplus until by January 1, 1836, it exceeded \$25,000,000. In July of that year a law was enacted which provided that the surplus should be distributed among the states in 1837, payment to be made in four equal installments. In compliance with the law three payments aggregating \$28,000,000 were made. Only the inability of the eighty-eight "pet banks" to meet the demands of the government for its deposits prevented the distribution of the fourth installment.<sup>1</sup>

<sup>1</sup> The states used the surplus in various ways. Massachusetts distributed it among the towns; Maine made a per capita distribution. Several states spent the money for internal improvements; some saved it and still use the income for educational and other purposes.

**239. The Specie Circular.**— On July 11, 1836, just twelve days before the passage of the law providing for the distribution of the surplus revenue, President Jackson instructed the secretary of the treasury to issue the celebrated "specie circular forbidding the receipt of anything but specie in payment of the public lands." Prior to this time the notes of many banks had circulated at face value simply because they were "land office money"—that is, money receivable at the land offices in payment for land. Otherwise, they would not have circulated at all, or would have been greatly depreciated. The specie circular limited somewhat the circulation of the soundest bank notes, and practically put an end to the circulation of those which had little or no backing of gold or silver. As a result of the specie circular note holders presented their notes to the issuing banks for redemption. Some banks exchanged gold or silver for their notes, some suspended specie payments, others closed their doors.

**240. The Panic of 1837.**— The deposit of government funds in state banks and the distribution of the surplus naturally tended to cause an increase in the volume of bank notes. Every dollar that found its way into the banks served as the basis of several dollars in notes. In 1830, the total state bank circulation had been \$61,000,000, seven years later it was \$149,000,000. The plentifulness of money stimulated speculation and made conditions abnormal. Credit was unduly extended. Men undertook business enterprises which they would not have undertaken under ordinary conditions. A mania for land speculation swept over the country. Everywhere the people were impatient of the normal profits arising from agriculture and industry. The inflated condition of the currency caused state governments as well as individuals to assume financial obligations out of all proportion to their ability to discharge them. States projected vast systems of internal improvements, financing them with money secured from the banks and from Europe. Some even established state banks on borrowed capital.

Such conditions, to repeat, were abnormal. The demand of creditors for the repayment of loans and of note holders for gold and

silver started a panic. In May, 1837, the banks of the United States suspended specie payments. Three large American houses in London failed. Land values shrank. Imports fell off. Government revenues fell below expenditures. Merchants and manufacturers contracted their operations. Thousands of bankers and business men went into bankruptcy. Even the states did not escape the crash. All curtailed their internal improvements operations. Many were hopelessly in debt. Some went to the extreme of repudiating their debts. In 1839, another panic swept over the country. Thus for three or four years business was disorganized and times were hard. In 1841 Congress enacted a bankrupt law which relieved 40,000 debtors of an amount aggregating \$450,000,000.

**241. The Independent Treasury System.**—When in 1837 the “pet banks” failed to provide the fourth installment of the surplus to be distributed among the states, President Van Buren recommended to Congress the establishment of an independent treasury whereby the government would take charge of its own funds. At that time (1837), the lawmakers refused to follow the President’s recommendation. Three years later the system was adopted. The Treasury at Washington was provided with vaults, and sub-treasuries were established at New York, Boston, Charleston, and St. Louis. The same law placed the financial operations of the government on a “hard money” basis, by requiring that “after June 30, 1843, all payments to or by the United States should be in gold and silver exclusively.” At once the state banks began to oppose the system. First, it took from them the government deposits. Second, it restricted the circulation of their notes, by depriving them of government acceptance. This opposition combined with other forms of dissatisfaction to defeat Van Buren for re-election in 1840. The Whigs opposed the independent treasury and when they came into power they set about to repeal the law. This they did in 1841. Five years later, during the administration of James K. Polk, who had defeated Clay for president in 1844, the independent treasury system was re-established. With modification it has continued down to the present time.

**242. Systems of State Banking.**— During the years before the Civil War, several distinct types of banking were developed in the United States. In Massachusetts was the *Suffolk system*, named after one of the leading banks of Boston. Country bankers of that region kept on deposit, in Boston, funds for redeeming their notes. As a consequence the people usually had confidence in the value of the notes, taking them almost as readily as gold or silver. In the state of New York the *safety fund* system of banking was developed. In this system each bank paid annually a small per cent of its note circulation into a general fund to be used for redeeming the notes of insolvent banks. Not all of the New York banks, however, belonged to this system. Some operated under a *free banking* law, which was similar to banking laws in many other states. Any one who could comply with the general banking law of a state where the system existed was entitled to engage in banking. In the absence of such a law each bank was established by a special act of the legislature.

**243. Effects of the Civil War on Banking.**— The breaking out of the Civil War in 1861 ruined many bankers of the country. Those, in the North, who held bonds of southern states as a basis of their note circulation were called on by state officials to furnish new securities. This many of them could not do. In the South the banks had little gold reserve. Many of them were forced to close their doors. With the beginning of the year 1862 the federal government as well as the northern banks suspended specie payments. The same year the government began issuing greenbacks. In 1863 the National Banking system was begun. In the South many of the banks loyally gave their gold reserves to the Confederate government, and tried to conduct their business with Confederate currency. After the war the two sections entered on similar plans of banking which will be discussed in a latter chapter.

### III. THE PRECIOUS METALS

**244. Coinage Laws.**— The first coinage law under the Constitution was enacted in 1792. It provided that the mint ratio between



gold and silver should be 15 to 1 — that is, a silver dollar should weigh fifteen times as much as a gold dollar of the same fineness. Accordingly, the weight of the gold dollar was fixed at 27 grains, and of the silver dollar at 416 grains, each metal to be *about* nine-tenths fine. The first important modification of the coinage law was in 1834. At that time the ratio was changed to 16 to 1. The weight of the gold dollar was reduced to 25.8 grains, and its fineness slightly decreased. Three years later (1837) the silver dollar was reduced in weight to



Placer Mining

Early gold mining in the West was usually carried on as shown here. Each man gathered the metal-bearing sand and "worked out" the gold.

412.5 grains. The same law provided that both the gold and the silver dollar should be coined from metal exactly nine-tenths fine. No change has since been made in the weight and fineness of gold coins or of the silver dollar. The gold dollar weighs 25.8 grains and contains 23.22 grains of pure gold; the silver dollar weighs 412.5 grains and contains 371.25 grains of pure silver. Thus the mint

ratio, which is approximately 16 to 1, may be found by dividing 412.5 by 25.8. In 1853 another mint law provided that the weight of fractional silver coins should be reduced so as to make the half-dollar weigh 192 grains "the quarter dollar, dimes and half dimes . . . respectively one-half, one-fifth, and one-tenth of the weight of the said half dollar."

The mint established by the law of 1792 coined little money during the earlier years of its existence. The production of gold and silver in the United States was small. Spanish dollars circulated readily.

Hence the demand for American silver dollars was not as great as it otherwise would have been. Between 1793 and 1805 the mint turned out 1,500,000 silver dollars. In the latter year President Jefferson ordered their coinage to be discontinued. No more were coined until 1836. Spanish dollars supplied the metal for fractional silver coins. During the life of the first mint law (1792-1834) gold coinage lagged behind silver coinage. In but one year, 1820, did the gold output of the mint exceed one million dollars. People refused to have their gold coined, for it was worth more as bullion. The mint law of 1834, however, stimulated the coinage of gold, by giving it a greater value in terms of silver. The next three years saw more than ten million dollars worth of the metal carried to the mints.

## COINAGE OF GOLD AND SILVER

Year	Silver Dollars	Fractional Silver Coins	Gold Coins
1800 . . . . .	\$220,920	\$3,376.00	\$317,760.00
1805 . . . . .	321	149,067.50	170,367.50
1810 . . . . .	.....	638,773.50	501,435.00
1820 . . . . .	.....	501,680.70	1,319,030.00
1830 . . . . .	.....	2,495,400.00	643,105.00
1835 . . . . .	.....	3,443,003.00	2,186,175.00
1840 . . . . .	61,005	1,665,698.00	1,675,482.50
1850 . . . . .	47,500	1,818,600.00	31,981,738.50
1860 . . . . .	733,930	1,525,460.00	23,473,654.00

The mint ratio and the market ratio were not identical. The coinage law of 1792 provided, as stated above, that the mint ratio between gold and silver should be 15 to 1. During the next forty-two years there was no time when one could exchange fifteen ounces of silver for one ounce of gold. In other words, a gold dollar would buy more than enough silver bullion necessary to coin a silver dollar. One could exchange a gold dollar for silver bullion, carry the bullion to the mint, have a silver dollar coined from it, and have remaining a small amount of the bullion. Although a silver dollar would not buy enough gold bullion to make a gold dollar, it was ordinarily equal in every way to the gold dollar in making purchases in stores and shops, in paying for labor, and in discharging debts. To use the language of bankers, gold was undervalued at the mint. Consequently, gold

was sent abroad, in exchange for foreign silver, which was carried to the mint to be coined.

The mint ratio of 16 to 1, adopted in 1834, undervalued silver, which soon went out of circulation. To keep fractional silver coins in circulation, their weights, as we have seen, were reduced seven per cent in 1853. Discovery of gold in California in 1848 lessened the value of that metal and raised still higher the value of silver measured in gold. Thus the government found it almost impossible to maintain a bi-metallic standard, for scarcely ever were the market ratio and the mint ratio the same.

**245. Discovery of Gold in California.**—Prior to 1848, the chief gold-producing regions of the United States were in North Carolina and Georgia. In 1835 Congress established mints at Charlotte, North Carolina, and Dahlonega, Georgia. Five years later the total annual coinage of the two mints was a little less than one million dollars. The discovery of gold in California in 1848, however, directed the attention of the people to that region. Everywhere they looked with longing eyes to the Pacific. Thousands of men made a rush for the new *el dorado*. Some went overland; some by Cape Horn; some by the Isthmus of Panama. Crews even deserted their ships to hunt for gold.

The addition of the California gold to the money supply of the United States affected industry in many ways. Mr. H. V. Poor, a well-known authority on American industrial conditions, describes these effects as follows: "The effect upon the industries and commerce of the country, of the sudden addition of more than \$50,000,000 annually to its circulating medium, was prodigious. It had no precedent in history. The acquisition of California was equivalent to the acquisition of half a continent. A new field was opened, which absorbed no inconsiderable portion of the labor of the country at most remunerative rates. All sections were equally benefited. The wealth drawn so copiously from the Western portion of the continent stimulated to an extraordinary degree the commerce, manufactures, and trade of the Eastern."

## ORAL AND WRITTEN EXERCISES

1. What were Hamilton's arguments for a United States bank?
  2. Why did Madison and others oppose the bank?
  3. What was the success of the First United States Bank?
  4. How did the War of 1812 affect banking?
  5. Why was the Second United States Bank established?
  6. How did many of the states regard the bank?
  7. Why did state banks oppose the Second United States Bank?
  8. What caused Jackson to oppose the bank?
  9. Why were the deposits removed from the United States Bank?
  10. Who alone had authority to remove the deposits?
  11. What were the effects of Jackson's veto of the bank bill on state banking?
  12. What were the "pet banks"?
  13. Why was the surplus divided among the states?
  14. How did the states use this surplus?
  15. What was the specie circular?
  16. How did the specie circular affect state banking?
  17. What were the causes of the Panic of 1857?
  18. Why was the Independent Treasury organized?
  19. What was meant by the expression "hard money"?
  20. Why was there little gold coined between 1800 and 1830?
  21. When the mint ratio between gold and silver is 16 to 1 and the market ratio is 17 to 1, which metal is said to be undervalued?
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22. Suggested topics for oral or written reports:  
The Bank War, 1829-1833.  
Banking in the West.  
Attempts of the Government to maintain a Bimetallic Standard.
- 

23. Important dates:  
1791 — Establishment of the First United States Bank.  
1816 — Establishment of the Second United States Bank.  
1832 — Jackson's veto of the bank bill.  
1836 — The specie circular.  
1846 — Second establishment of the independent treasury system.

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CHAPTER XVII  
SLAVERY AND ITS INFLUENCES  
1787-1860

**I. POLITICAL ASPECT OF SLAVERY**

**246. Slavery in Politics and Government.**— Of the political issues that divided the American people during this period, slavery was the most important. Owing to differences in temperature, climate, and character of crops, the system was necessarily sectional. Questions involving taxation, internal improvements, banking, and kindred subjects were settled by ordinary legislation. Whether or not the independent treasury system should be established, for example, was for Congress to decide without special reference to any particular section of the country. The Democrats favored the system, the Whigs opposed it. Heated discussions arose. Yet no one seriously thought of proposing a compromise. The slavery question required different treatment. The more it was discussed the more the people of one section misunderstood the motives and beliefs of the people of the other section. Hence, there arose the policy of balancing northern and southern interests and of compromising issues that involved slavery.

For a number of years it was the practice of Congress to admit states in pairs — one from the South, one from the North — in order that the Senate might not be controlled by either section. Thus Maine (1820) and Missouri (1821) were organized at about the same time; likewise, Indiana (1816) and Mississippi (1817); Illinois (1818) and Alabama (1819); Arkansas (1836) and Michigan (1837). Occasionally it became necessary to effect special compromises, as was done in 1820, when Missouri applied for admission to statehood, or again in 1850 when numerous questions involving slavery had to be settled. The same notion of balancing interests and of making compromises prevailed until the outbreak of the Civil War. In short,

the two sections regarded slavery very much as two independent nations might regard a question of policy on which they could not agree. Consequently, they undertook to arrive at an understanding, not by ordinary methods of legislation, but by arbitration and compromise.

**247. Slavery and the Constitution.**—The first slavery compromises were made in the Constitutional Convention of 1787. The southern delegates desired to apportion representation among the states according to total population, thus giving as much weight to the slave as to the free population. Northern delegates, on the other hand, insisted that slaves should not be counted in making apportionment. At the same time the question of laying direct taxes on the states according to population was considered to be of supreme importance. Southern delegates objected to having slaves counted in determining the amount of such a tax. Here, then, was the opportunity to make a compromise, which was done. It provided that in apportioning representatives and in laying direct taxes on the states, five slaves should be counted as three free persons.

A second compromise made in the Convention had to do with the slave trade. A majority of the delegates opposed any further importation of slaves. South Carolina, however, had pressing need for more slave labor; hence the delegates from that state insisted that the trade be not molested by the national government. Again a compromise was effected: the Constitution provided that "the migration or importation of such persons as any of the states now existing shall think proper to admit, shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight, but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person."

**248. The Missouri Compromise 1820, 1821.** The next important slavery compromise resulted directly from the westward movement. The purchase of the Louisiana Territory in 1803 had opened the country for settlement from the Mississippi River to the Rocky Mountains. Many of the settlers in that region had emigrated from the southern states, carrying their slaves with them. The popula-

tion had grown until in 1818 the people of Missouri petitioned Congress for admission into the Union. At once there arose, both in and out of Congress, violent opposition to the organization of Missouri as a slave state. The petition went over to the next session. In the meantime, Maine had petitioned for statehood. The House voted to admit both Maine and Missouri into the union, providing, however that the inhabitants of the latter state should not hold slaves. The Senate rejected the house provision prohibiting slaves in Missouri, adopting instead an amendment proposed by Senator Thomas of Illinois, which provided that all the territory in the Louisiana Purchase, north of parallel  $36^{\circ} 30'$  (except Missouri), should forever be free. The house agreed to the Thomas amendment. Maine became a state in 1820. The next year (1821) Missouri was admitted into the Union, but only after another compromise had been effected in which the people of that state agreed not to prohibit the entrance of free negroes.

The Missouri Compromise was important in at least two respects: (1) it made practically all of the unorganized portions of the Louisiana Purchase free territory; (2) it gave Congress a precedent for regulating slavery in the territories.

**249. Beginning of the Abolition Movement.**—Although men here and there had advocated the abolition of slavery ever since its introduction into the United States in 1619, the abolition movement proper with its organizations, public discussions, and newspapers did not begin until about 1830. In January, 1831, William Lloyd Garrison founded in Boston the *Liberator*, which soon came to be one of the best known abolition sheets in the country. In his very first editorial, Garrison proclaimed eternal war on the institution of slavery, and throughout the rest of his life he gave no quarter — and expected none in return. The editor of the *Liberator* was not alone in his opposition to slavery. James G. Birney of Ohio, John M. Peck of Illinois, Gerrit Smith of New York, Wendell Phillips of Massachusetts, and John Greenleaf Whittier of Massachusetts, each in his own way assisted to spread the doctrines of abolition.



In both the North and South the abolitionists were hated, and regarded with suspicion and contempt. More than one southern man held that slavery was a social and economic ill, yet few of them could believe that abolition was the remedy. The North gave the abolitionists slight encouragement. In 1835, Garrison was mobbed in Boston, and barely escaped with his life. Two years later Elijah P. Lovejoy was put to death by an Alton (Illinois) mob for persisting in publishing an abolition newspaper.

As might be expected, the abolition movement found its way into Congress, and there it centered until the outbreak of the Civil War. As long as its supporters were merely editors, ministers, and business men,—that is, private citizens,—the South could well believe that abolition did not have the sanction of the northern people. When, however, members of Congress joined in the movement, it was time for the South and southern representatives to unite in opposing its spread. Accordingly in 1836, the House passed the first of a series of so-called gag resolutions which prohibited debate on anti-slavery petitions. For eight years the eloquent John Q. Adams opposed these resolutions in vain. Ohio, in 1838, sent to Congress an avowed abolitionist, Joshua R. Giddings. From that time on the number of representatives and senators friendly to abolition steadily increased. Thus, to repeat, the abolition movement and public discussion of the slavery question during the fifteen or twenty years immediately preceding the Civil War were centered in Congressional debates and in Congressional legislation.

**250. The Texas Question.**—The first important slavery discussion to occur after the abolition movement had got fairly under way concerned (1) the annexation of Texas, (2) the Mexican War, and (3) the government of the territory secured as a result of the war. In 1836 the people of Texas had thrown off the authority of Mexico and established a republic. Many of the Texans were merely "American citizens across the border," and very naturally they desired the annexation of their adopted country to the United States. John C. Calhoun, Secretary of State, negotiated a treaty of annexation with

Texas in the spring of 1844, but it was rejected by the Senate. In the presidential campaign that followed, the Texas question was a leading issue. Polk, the Democratic candidate, favored annexation; Clay, his leading opponent, opposed it. Polk was elected. On March 1, 1845, Congress in a joint resolution authorized the admission of Texas into the Union.

The motives of the President<sup>1</sup> and of the majority of Congress in thus acquiring Texas together with her dispute over the border line, are open to question, but they need not be discussed here. Nor is it necessary to detail the exploits of the American arms in the war that followed. The coming of peace in 1848 saw the United States in possession of a new territory extending to the Pacific Ocean, a territory in which it was thought slaves might be profitably employed. In fact the annexation of Texas had been opposed by anti-slavery men on the ground that it was merely a pretext of the South for extending slavery. Defeated in their attempts to prevent the admission of Texas and the war, they were more determined than ever before to make the newly acquired regions free territory. Accordingly, those members of Congress known as anti-slavery men were prepared to obstruct every bill favorable to slavery.<sup>2</sup> Perhaps their best known effort in this



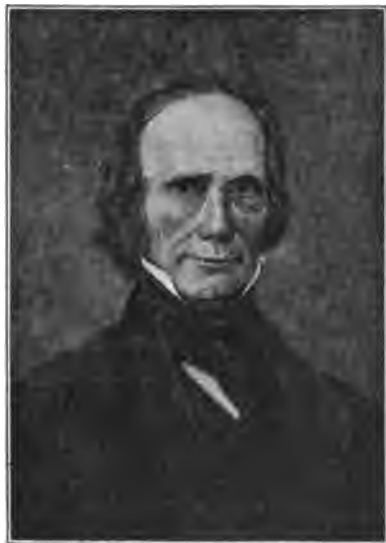
John C. Calhoun  
Born 1782. Died 1850

<sup>1</sup>President Tyler's activities in securing the annexation of Texas have received a great deal of criticism.

<sup>2</sup>In the debates over the Mexican War, Abraham Lincoln, who served in Congress from 1847 to 1849, repeatedly asked the Democrats to point out the exact spot, for example, where the first bloodshed occurred. For that reason he was called "Spot" Lincoln, and the resolutions he introduced as the "spot" resolutions.

direction was the Wilmot Proviso (1846), which, though it failed to become a law, declared that slavery should never exist in any territory yet to be acquired.

**251. The Compromise of 1850.**—A year after the treaty with Mexico, the people along the Pacific coast in what is now California



Henry Clay  
Born 1777. Died 1852

began to discuss the question of statehood. The important question in both North and South was, Will the new state be free or slave? In their constitution drawn up in September, 1849, the people of California voted to make the state free. At that time half of the states in the Union were free, half, slave—fifteen in each group. The admission of California as a free state threatened to destroy the balance, for nowhere in the unorganized regions of the Southwest was there any likelihood of a state's being established within the next few years. Under such circumstances the South objected to admitting California

into the Union as a free state. Other questions involving slavery, however, had to be settled. The vast territory lying east of California and west of Texas was to be organized; slave trade in the District of Columbia had become a bone of contention; and the South was thoroughly dissatisfied with the manner in which the fugitive slave law was being enforced in the North.

Thus the time was ripe for another compromise. Clay seized the opportunity to attempt a reconciliation of conflicting interests.

He proposed that each section modify its demands in order that national unity might be restored. Accordingly, the so-called Compromise of 1850 was effected. It provided (1) that New Mexico be organized as a territory with the tacit understanding that slavery be permitted; (2) that California be admitted as a free state; (3) that Utah be organized as a territory with the tacit understanding that it should be free soil; (4) that a more effective fugitive slave law be put in operation; and (5) that slave trade be prohibited in the District of Columbia.

The Compromise of 1850, while it was openly opposed by the more radical men of the two sections, served to allay hostile feelings for a time.<sup>1</sup>



Daniel Webster  
Born 1782. Died 1852

**252. The Kansas-Nebraska Act.**—The fugitive slave law created discontent in the North where all the states except two had "personal liberty laws." Naturally riots arose over the capture and return of runaway slaves. Yet neither section appeared ready to reopen the conflict. In the presidential campaign of 1852, the last in which the

<sup>1</sup>In the debates on the Compromise of 1850, Daniel Webster criticized the attitude of the northern abolitionists. As a result he was charged by his opponents with bidding for southern support in the approaching presidential election (1852). Moreover, he lost many of his oldest friends in New England. Whittier, who was an ardent abolitionist, expressed himself as follows in *Ichabod*.

So fallen! so lost! the light withdrawn  
Which once he wore!  
The glory from his gray hairs gone  
Forevermore!  
\* \* \* \* \*

Of all we loved and honored, nought  
Save power remains;  
A fallen angel's pride of thought,  
Still strong in chains.

All else is gone; from those great eyes  
The soul has fled:  
When faith is lost, when honor dies,  
The man is dead!

Then, pay the reverence of old days  
To his dead fame;  
Walk backward, with averted gaze,  
And hide the shame!



The United States Capitol, Washington, D. C.

Whigs took a prominent part, both parties endorsed the Compromise. Political leaders were content to let slavery rest. They hoped that it would never again become a political issue. This armed truce, as it were, might have continued indefinitely, had not the whole subject been reopened by Senator Stephen A. Douglas of Illinois when he placed before Congress his famous Kansas-Nebraska Bill, which when it later became a law really opened the territories to slavery by repealing the Missouri Compromise. The bill aroused the whole country. The South quickly saw the benefits which the bill, if passed, would have on slavery. In the North, the anti-slavery men fully realized for the first time the insecurity of compromise. After several fierce debates the bill became a law in 1854.

Settlers from both sections flocked into Kansas. Slavery and anti-slavery forces engaged in a bitter struggle. Each side called a convention and drew up a constitution. Several state-wide votes were taken on the adoption of a constitution and in every case fraud and intimidation were apparent. Thus the matter stood when the Civil War began.<sup>1</sup>

**253. Ostend Manifesto.**— During the earlier discussions of the Kansas-Nebraska Bill, another important slavery question arose. In his inaugural address (1853), President Pierce had come out openly in favor of annexing Cuba to the United States. The next year (1854), Pierre Soulé, minister to Spain, James Buchanan, minister to England, and John Y. Mason, minister to France, after conferring at Ostend drew up a manifesto in which they declared that the United States would be justified in "wresting Cuba from Spain," in order that the island might never "be Africanized." Such a proposal was regarded by the anti-slavery men as merely a first move toward the acquisition of more slave territory. President Pierce failed to support the three ministers, and in 1855 he had a treaty made with Spain which restored friendly relations between the two countries.

<sup>1</sup>The election of Lincoln in 1860 discouraged the attempts of the slavery men to continue their struggle in Kansas. Consequently in January, 1861, Kansas became a free state.

**254. Rise and Growth of the Republican Party.**—The Kansas-Nebraska discussions were largely responsible for the organization and growth of the Republican party. Year by year the anti-slavery elements had been growing stronger. Yet neither of the old parties had desired their friendship and alliance. Each had struggled to maintain its position as a national party and to avoid sectionalism.



*From American Press Association*

Stephen A. Douglas  
Born 1813. Died 1861

Such was the situation when Douglas made his proposal to repeal the Missouri Compromise. The discussions that followed split the Democrats into Regulars and anti-Nebraskans, and all but put an end to the Whig party. The anti-Nebraska Democrats were unwilling to enroll under the banner of their old enemy, the Whigs; so they cast about for a new organization with which they might ally themselves against Douglas and the administration. Just at this time (1854) the name "Republican" began first to be used to designate those who opposed the extension of slavery.

Many of the members of this new party had been Whigs, some had been Know-nothings and Abolitionists, a few had been Democrats.<sup>1</sup> They and the anti-Nebraska Democrats stood for the same policy of keeping the territories free. So strong and rapidly did the opposition to the Kansas-Nebraska legislation grow that the regular Democrats carried in 1854 but sixteen of the thirty-one states, and failed to elect a majority of

<sup>1</sup> The Know-nothings were so named by opponents because of their practice during the early days of the party organization of answering questions concerning their policies and principles by saying, "I know nothing about it."

the members of the Lower House of Congress. In 1856 the Republican candidate for President, John C. Fremont, received 114 electoral votes to 170 for the successful candidate, James Buchanan. The popular vote shows the strength of the anti-slavery forces. The Democrats cast 1,800,000 votes; the Republicans 1,310,000 votes; and the Know-nothings, including remnants of the Whig party, about 850,000 votes.

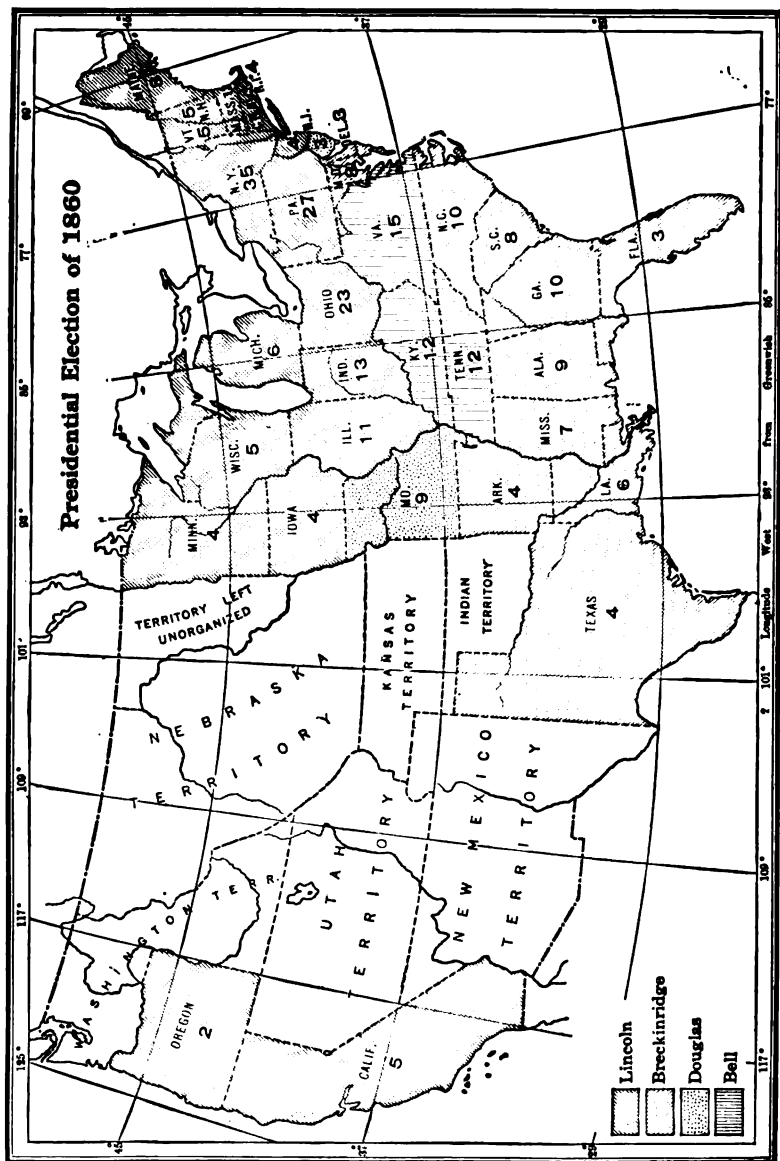
The size of the Republican vote, even though it was confined to the North, alarmed the friends of slavery who apparently believed that the Republicans as a party stood for abolition. Political events now ran rapidly. In Illinois, in 1858, Lincoln successfully debated the slavery question with Douglas, and by so doing made himself a presidential possibility. The Republicans won important victories in the fall elections of that year, carrying several states and electing a majority of the members of the Lower House of Congress.



Confederate Capitol, Richmond, Virginia  
Here was housed the Confederate government during the greater part of the Civil War.

Both parties now prepared for the supreme test, the presidential election of 1860. Douglas was the best-known and the ablest member of the Democratic party. He was strong in the North, but southerners suspected him of being half-hearted in supporting slavery. Several men were put forward by their respective friends for the Republican nomination. William H. Seward of New York and Salmon P. Chase of Ohio each had a strong following, and each was known as an enemy of slavery. In 1860 the Democrats met in convention at Charleston, but adjourned without adopting a platform or





nominating a candidate. Later one wing of the party nominated Douglas; the southern wing nominated John C. Breckenridge of Kentucky. Thus the Democrats were hopelessly split. The Republicans chose Abraham Lincoln of Illinois as their standard bearer. A fourth party, confined chiefly to the border states, supported John Bell of Tennessee, declaring for "The Constitution of the country, the union of the States, and the enforcement of the laws." Lincoln was elected, carrying all of the free states except New Jersey, where he divided the electoral vote with Douglas.

**255. Secession.**—During the campaign it had been freely predicted that the election of Lincoln would lead to a dissolution of the Union. Southern men declared, and rightfully so, that he would have no support in the slave-holding states. They erred, however, in believing that Lincoln considered himself the candidate of a section, and that if elected, he would be a sectional executive.

Between Lincoln's election in November, 1860, and his inauguration in March, 1861, the Southern Confederacy was organized. When Congress met in December, 1860, secession was in the air. Several attempts were made to compromise the conflicting interests of the North and South, but without success. Committees of Congress investigated the matter, and a convention was called to discuss the situation.<sup>1</sup> On December 20, 1860, South Carolina formally declared her compact with the Union dissolved. In the following February a convention at Montgomery, Alabama, framed a provisional constitution and chose Jefferson Davis of Mississippi provisional president. Already the southern members had withdrawn from Congress.

For five or six weeks after Lincoln's inauguration each side hesitated to strike the first blow, hopeful that the difficulties might be settled without bloodshed. On April 12, 1861, however, the Confederate batteries opened fire on Fort Sumter, which was situated in Charleston harbor. Thus the war began, but a more extended notice of this great struggle must be deferred until we take up the study of chapter XIX.

<sup>1</sup> Both houses made unsuccessful efforts to adjust conflicting interests. The Senate used a committee of 13 members; the House, a committee of 33 members.

**256. Misunderstandings.**— Many believe that a war over slavery was inevitable. Granting that the conflict could not have been avoided, the fact remains that it was hastened by a long series of misunderstandings on the part of both sections. Southerners misunderstood the general attitude of the North toward slavery. Too often they regarded the northern man as an abolitionist whose sole aim in life was to weaken and humiliate the slave states by encouraging the abolition movement, by enacting national laws detrimental to the South, and by opposing the return of runaway slaves. They laid too much stress on the acts and speech of northerners who in no way represented that section. John Brown's raid, for example, was regarded in many parts of the South as the first of a series of attempts to free the slaves by force. Yet it was an isolated event, and as much regretted in the North as in the South. They mistook the opposition to the spread of slavery into the territories for opposition to the system itself. It would not be far wrong, perhaps, to say that prior to the introduction of the Kansas-Nebraska Bill the great majority of northern people regarded slavery in the states with indifference. Lincoln, who felt that slavery was morally wrong and economically unwise, was not aroused until the territories were thrown open to slavery in 1854. Seven years later at the beginning of his first administration as president he emphatically declared that he had no desire and no intention to molest slavery within the states. In fact, the North entered the war not to free the slaves, but to preserve the Union.

The North, on the other hand, misunderstood the South. Mrs. Stowe's *Uncle Tom's Cabin* (1852), which merely showed what might happen in the slave regions, caused northern men to associate in their minds slaves, slave-drivers, bloodhounds, and horse-whips. To many of them, every slave holder was a brutal Simon Legree. Likewise, Helper's *Impending Crisis* (1857), which criticised severely the whole slavery system and attempted to show the industrial weakness of the South, was misleading, though it received the endorsement of many northern leaders. Even the Dred Scott decision (1857), created more anxiety in the North than its importance would seem to warrant.

Misunderstandings such as these were natural. Each section was convinced that it was right on the question of slavery and that the other section was wrong. The South especially held strong convictions. Consequently, minor events that would have been passed over with slight notice had they been concerned with any other policy, such as internal improvements, became of supreme importance when they involved slavery.

## II. THE ECONOMICS OF SLAVERY

**257. Growth and Spread of Slavery.**—The First United States Census (1790) showed the total population of the country to be almost 4,000,000. Of this number 700,000 were slaves. The largest slave-holding states were Virginia, South Carolina, Maryland, and North Carolina. According to the census returns, slaves were held in all of the states except Massachusetts. The next seventy years (1790–1860) saw the slave population increase almost five-fold; in 1860 it was 3,953,760. Contrary to general opinion, however, the slaves increased less rapidly than did the whites.

### INCREASE IN POPULATION, 1790–1860

Year	White Population	Slave Population
1790 . . . . .	3,172,464	697,897
1860 . . . . .	26,957,471	3,953,760
	per cent increase, 750	per cent increase, 467

In all of the slave-holding states except Delaware and Maryland, the number of slaves increased between 1790 and 1860. Throughout the entire period, Virginia led in slave population. South Carolina held second place until after 1840 when she was displaced by Alabama, Georgia, and Mississippi. The growth in slave population of the last three named states was largely the result of the westward movement and of the increased production of cotton. After 1840 the increase in slavery west of the Mississippi River was notable. In Arkansas alone the number grew from 20,000 in 1840 to 47,000 in 1850, and to 111,000 in 1860. Texas had a similar increase. There, during the decade 1850–1860, the number of slaves more than doubled.

## SLAVERY AND ITS INFLUENCES

POPULATION OF LEADING SLAVE-HOLDING STATES, 1860

State	Total Population	Slaves	Whites	Free Colored
Virginia . . . . .	1,596,318	490,865	1,047,411	58,042
Georgia . . . . .	1,057,286	462,198	591,588	3,500
Mississippi . . . . .	791,305	436,631	353,901	773
Alabama . . . . .	964,201	435,080	526,431	2,690
South Carolina . . . . .	703,708	402,406	291,388	9,914

In two states, Mississippi and South Carolina, the slaves outnumbered the whites, while in Louisiana they made up almost one-half of the population.

**258. The Internal Slave Trade.**— Inasmuch as slaves were bought and sold like any other form of property, it is not at all surprising that the internal slave trade of the country engaged the attention of many men and involved millions of dollars annually. Every southern city had its centrally located slave market where men, women, and children were put on the block and auctioneered off to the highest bidders. No other phase of slavery was so revolting.<sup>1</sup> Husband and wife were likely to be separated and families broken up and scattered. Southern men generally regretted the necessity of selling slaves, and many a slave holder impoverished himself by retaining his slaves long after he was convinced that their sale would be profitable. To his way of thinking, the slaves were part and parcel of the plantation itself.

Slave trade between the border states, and the Lower South and Southwest, appears to have become important during the twenty or thirty years preceding the war, though exact information on the subject is scanty. The opening of the Southwest to settlement and the increased cultivation of cotton, rice, and cane along the Mississippi River and the Gulf created a greater demand for slave labor than the regions themselves could possibly supply. Consequently they turned to the border states for slaves. The border states in turn welcomed the opportunity to dispose of their surplus slaves, for they had no means of providing all of them with labor. Besides,

<sup>1</sup> The typical slave owner appears to have despised the slave trader as well as his business. Mrs. Stowe in *Uncle Tom's Cabin* gives a picture of a southern planter entertaining a slave trader at his table. This, the southern people have criticized as untrue.

slaves could be worked more profitably in the cotton, rice, and cane fields. The opinion prevails, therefore, that thousands of slaves were sent annually from Delaware, Maryland, Virginia, and Kentucky to regions farther south. Perhaps the best evidence of this movement was the rapid growth of slavery in the South and Southwest and its slow growth in the border states.

## GROWTH OF SLAVERY FROM 1830 TO 1860

State	Number of Slaves		Increase Per Cent
	1830	1860	
Maryland . . . . .	102,994	87,189	15.3 (decrease)
Virginia . . . . .	469,757	490,865	4.5
Kentucky . . . . .	165,213	225,483	36.4
Louisiana . . . . .	109,588	331,726	202.7
Mississippi . . . . .	65,659	436,631	564.9
Arkansas . . . . .	4,576	111,115	2328.1

**259. Profitableness of Slave Labor.**— Whether or not slavery was profitable is a much mooted question. Some have contended that the slave holder could have used his capital invested in slaves to better advantage in the employment of free labor. Others argue that slave labor was cheap and efficient, and hence a source of profit to its owners. Something, perhaps, can be said on each side of the question.

Slavery had its advantages in that the labor supply was fixed and certain, and capable of being organized to advantage. A planter could determine in advance the size and efficiency of his labor force. He had nothing to fear from labor troubles. His chief concern was to prevent accidents and sickness, and to keep his slaves contented and in good spirits. Moreover, he could organize them so as to keep each one employed at the task he could do best. The able-bodied adults, both men and women, worked in the fields; the children herded the cattle and carried drinking water to the field hands; the old men cut wood, cultivated the gardens, and assisted in the work about the plantation house; and the women who were too old or too feeble for hard work cooked the meals, did the laundry work, and cared for the infant children both white and black. Thus each slave had his own task to perform; none was idle. Because of the certainty of slave labor and of the ease with which it could be organized, cotton planters,

in particular, found it possible to grow such crops as would keep the slaves employed the year round in preparing the ground, planting, cultivating, and harvesting. In fact, on a well regulated cotton plantation it is doubtful if the time lost from labor, Sundays and holidays excepted, exceeded two weeks in the entire year.

**260. Unprofitableness of Slave Labor.**— Arguments against the profitableness of slave labor rest chiefly on the assumption that the slave, because he had no share in the product of his labor, was an inefficient worker. One authority has said that the “economical defects of slave labor . . . may be summed up under the three following heads:— it is given reluctantly; it is unskilled; it is wanting in versatility.” That slaves were ordinarily not interested in their work cannot be denied. They had little or no incentive to improve methods of production, to increase the output, or to preserve the fertility of the soil. The most they could expect was a minimum of food, clothing, and shelter, and these they were assured regardless of conditions. It is little wonder, then, that they did no more work than was necessary to escape punishment, and that they remained unskilled and lacked versatility.

There was yet another side to the unprofitableness of slave labor. Careful observers agreed that the system involved expenses not always taken into account by the owners. First, there was the initial cost of the slave which, at the outbreak of the war, averaged about a thousand dollars. Second, the losses from death, disease, and disability caused a heavy financial drain on the owners. Third, the slaves wasted the crops they cultivated, destroyed tools, and exhausted the soil. Granting that the labor was fairly efficient, and that the cost of maintaining it was kept at the lowest possible point, it was argued that the outlay on a slave would pay the wages of a free worker whose output would equal if not exceed that of the slave he displaced.

**261. Plantation Management.**— In managing plantations, practices differed among owners and among localities. The better class of planters gave first consideration to the moral and physical well-

being of the slaves. Religious services were provided on Sundays, legal marriages among the slaves were sanctioned, and the slaves were encouraged to lead clean, moral lives. The larger plantations had their own white doctors, white nurses, and hospital rooms, where sick and wounded slaves were likely to receive more skillful treatment than the poorer whites in the neighborhood. Many planters were careful to see that each slave kept his body clean, had an entire change of clothing each week, and that he was free from disease. Furthermore, he was compelled to sweep his cabin clean each day, taking care that no filth or refuse was thrown underneath the floor. To preserve their health and strength slaves were required to go to bed and get up at regular hours; and it was the duty of the overseer or driver to visit each cabin every night to see that the regulation was obeyed.

The efficiency of the slaves on the better regulated plantations was made as great as possible by minute regulations of their hours of labor, methods of work, and manner of taking rest. At dawn the field hands were in the fields and ready for work. Each was assigned his own task. Sometimes he was allotted a given time for its completion, and threatened with punishment if he failed. At noon dinner was served in the field, and the slaves were allowed to rest for several hours. The day's work was completed in time for the field hands to return to their cabins before dark, where on some plantations they found their fires lighted and even their suppers prepared by the women who were too feeble to work in the fields.

The conduct of the slaves on and off the plantation was carefully regulated. Drunkenness was especially opposed by the planters, and was often considered a cause for severe punishment. Visiting of slaves among plantations or going to neighboring towns was discouraged. It was the general practice to require them to carry written passes when they went off the plantation. In fact, a slave on the public highway or in town without such a pass was liable in many sections to be arrested; he was an object of suspicion. To remove the desire of going to town to sell produce, many planters prohibited the cultivation of private gardens and the raising of poultry. Others encouraged their slaves to grow vegetables for the



town market in order that they might be able to buy their own trinkets and cloth. The one holiday season of the year was Christmas week. Then the slaves relaxed from labor and enjoyed themselves as only slaves could. They sang, danced, ate, and drank. Some planters gave each slave a gold coin at Christmas time. In many sections of the South no other holiday was celebrated on the plantations.

**262. The Yeoman Farmer.**—Alongside the plantations a vast system of small farming grew up in which the labor was performed by the farmers and their families. To them is often applied the impolite term "poor whites." They grew crops similar to those grown on the neighboring plantations, but necessarily on a smaller scale. They appear to have occupied the less fertile land, and to have been relatively poor. Particularly numerous were they in the rolling and hilly counties in the interior. In almost all the rural sections of the South this class was in the majority, for it must be remembered that the number of slave holders was relatively small. It is true that the planters and professional men made the laws and directed the government, yet the small white farmers had control at the polls. Later they made up the rank and file of the Confederate army.

**263. Slavery and Agriculture.**—In any discussion of the economics of slavery, chief attention must be given to agriculture, for almost all of the slaves were on the farms. Cities in the South before the war were small and relatively unimportant, and the slaves there were employed largely in domestic service. In Georgia, in 1860, only about 8 per cent of the entire slave population of the state lived in cities and towns; in Alabama, about 5 per cent; and in Mississippi, less than 3 per cent. In New Orleans, where one might expect to find many slaves, they numbered less than 14,000, which was only a little more than 8 per cent of the city's total population.

Slave labor was used in agriculture for the simple reason that there it could be more profitably employed than in other industries. Agriculture required few tools, a minimum of manual skill, and

little co-operation. Slaves soon learned the few simple operations necessary in the cultivation of the crops, and became accustomed to farm routine. Ordinarily the progress of the work of one did not depend on the progress of the work of others.

Southern agriculture was characterized by the lack of tools and machinery.<sup>1</sup> Slaves were incapable of using complicated machines; certainly planters would have hesitated to place expensive ones in their hands. These difficulties might have been overcome, however, had southern crops lent themselves to machine methods. The improvements that revolutionized the harvesting and threshing of grain in the North had no counterpart in the South. It required more intelligence than machines could supply to select the ripened cotton bolls at the proper time, or to pick worms from the growing tobacco leaves. Slave labor, then, explains but partially the reason for the lack of farm machinery in the South.

A second characteristic of southern agriculture was the exhaustion of the soil. Far-sighted southerners directed attention to the "soil butchery" that prevailed in the South, and suggested methods for preserving it. Slavery was responsible for this condition of affairs, but only indirectly. Slave labor exhausted the soil, largely because masters, in an effort to make returns on their heavy investment in slaves, robbed the soil of its fertility as soon as possible and hurried on to take up new land.

The kinds and varieties of southern crops varied from section to section. In the extreme Lower South, rice, cane, and sometimes cotton, received a great deal of attention to the exclusion of other crops. On the cotton plantations farther north and on the tobacco plantations, the general rule was to give considerable emphasis to food products. Thus in Mississippi we find associated (1) large plantations, (2) slavery, (3) cotton, (4) corn, and (5) hogs. In many

<sup>1</sup> That slavery accounted for the lack of tools in the South was sometimes admitted or implied by slave holders. Olmsted in his *Journey in the Seaboard Slave States*, p. 105, reports a well-informed capitalist and slave holder as saying: "It always seems on the plantation as if they [the slaves] take pains to break all the tools and spoil all the cattle that they possibly can, even when they know they'll be directly punished for it."

sections it was the general policy of planters to grow food crops sufficient for their own slaves. In a set of instructions to his overseer, in 1857, a large cotton planter of Mississippi laid special emphasis on the necessity of raising food crops. "After taking care of the negroes, stock, etc., the next most important duty of the overseer is to make (if practicable) a sufficient quantity of corn, hay, fodder, meat, potatoes and other vegetables for the consumption of the plantation and then as much cotton as can be made by requiring good and reasonable labor of operatives and teams."

**264. Slavery and Foreign Immigration.**—A notable feature of southern population before the Civil War, and even since, was the small number of foreign immigrants compared to the number in the northern states. Eminent writers have usually accounted for this feature by the presence of slavery in the South. That is, they have claimed that the immigrant was a free worker, hence unwilling to work in regions given over to slavery.<sup>1</sup> There can be no doubt that slavery was a factor in discouraging foreign immigration into the southern states. Other factors, however, were important and deserve consideration. First, the inaccessibility of the South to immigrants was an obstacle to their settling there. Then as now, most immigrants arrived at New York, through no choice of their own necessarily, but because incoming boats came to that port. To reach the South would have required a long and costly journey which few were prepared to undertake. Second, the largest amount of free land and the best opportunities for city employment were in the North; hence farmers and laborers preferred that region with little or no reference to slavery. Third, the climate, and character of the crops, in the North, appealed more strongly to foreigners. Most of them had lived

<sup>1</sup> J. F. Rhodes indicates that immigrants were repelled from the South by the institution of slavery. He quotes from Parson Brownlow: "Leave us in the peaceable possession of our slaves and our Northern neighbors may have all the paupers and convicts that pour in upon us from European prisons." Many southern people were forced to admit that slavery kept them from receiving able-bodied men from Europe. See Rhodes' *History of the United States from the Compromise of 1850*, vol. I, pp. 355, 356. W. C. Webster in his *General History of Commerce*, p. 386, says: "Slave labor prevented the South from profiting to any extent from foreign immigration."

in the cool temperate climate of Europe, and preferred it to the warmer regions. Moreover, they were familiar with the crops of the Northwest and knew little or nothing at all about the cultivation of rice, cotton, or tobacco. It is little wonder then that they preferred the North Atlantic seaboard and the Northwest to the South.

## FOREIGN-BORN INHABITANTS, 1860

States	Total Population	Foreign-Born Population	Per Cent of Foreign-Born
Alabama, Arkansas, Florida, Georgia, Mississippi, and North Carolina . . .	4,381,288	34,690	$\frac{3}{4}$ of 1 per cent
Illinois, Indiana, Iowa, Ohio, Michigan, and Wisconsin . . . . .	7,601,797	1,302,448	17 per cent

## ORAL AND WRITTEN EXERCISES

1. Locate Mexican cession, Utah, New Mexico, Louisiana Purchase, Gadsden Purchase.

- 
- Why were new states admitted into the Union in pairs?
  - What slavery compromises were made in the Constitutional Convention of 1787?
  - What was the Missouri Compromise? What were its provisions?
  - Name several leaders in the early abolition movement.
  - What was the *Liberator*?
  - How did the North regard the early abolition movement?
  - What territory was gained as a result of the Mexican War?
  - What was the Compromise of 1850? What were its provisions?
  - Why did political leaders hate the slavery question?
  - What was the Kansas-Nebraska Act? How did it differ from the Missouri Compromise?
  - What was the effect of the Kansas-Nebraska Act on the Democratic party?
  - How did slavery in the territories differ from slavery in the states?
  - How did the Kansas-Nebraska Act influence Lincoln?
  - Why were Seward and Chase passed by for a less well known candidate?
  - What caused the internal slave trade?
  - In what ways was slavery profitable? unprofitable?
  - Why did the small white farmers in the South find it difficult to compete with slavery?
  - Why were slaves ordinarily employed in agriculture?
  - What forces kept immigrants out of the South?

21. Who were Davy Crockett, Sam Houston, James Bowie?  
 22. Who wrote the Biglow Papers? The Quadroon Girl? The Slave's Dream?
- 

23. Suggested topics for oral or written reports:  
 The Compromise as a Means of Settling Slavery Disputes.  
 Relation of Slavery to Southern Agriculture.  
 Misunderstandings between the North and the South.
- 

24. Important dates:

- 1619 — Slavery introduced into English colonies.  
 1808 — Slave trade prohibited.  
 1820 — Missouri Compromise.  
 1831 — Establishment of the *Liberator*.  
 1846 — Beginning of the Mexican War.  
 1850 — Compromise of 1850 — (Omnibus Bill).  
 1854 — Kansas-Nebraska Act.  
 1854 — Organization of Republican party.  
 1858 — Lincoln-Douglas Debates.  
 1860 — Election of Lincoln.

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CHAPTER XVIII  
STRENGTH OF THE NORTH AND THE SOUTH  
1860-1861

**I. NATURAL RESOURCES, WEALTH, AND POPULATION**

**265. Natural Resources of the Country.**—Before taking up the course of the war, which occupies such a large place in American history, let us turn our attention once more to the natural resources, wealth, and population of the country, and to the industrial strength of the two sections. The organization of the Confederate government in February, 1861, divided what had formerly been the United States of America into two governments, namely: the Confederate States of America (C. S. A.), and the United States of America (U. S. A.). For convenience, we may in this connection, call one the South, the other the North.<sup>1</sup> When Fort Sumter was assaulted in April, 1861, the South comprised but seven states,—Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, and South Carolina. A little later four others, North Carolina, Virginia, Tennessee, and Arkansas, joined the new government. The South then comprised eleven states having an area of about 800,000 square miles, which was a little more than one-third of the area of the North. It must be kept in mind, however, that three of the northern slave states, Missouri, Kentucky, and Maryland, sympathized with the South and often lent them assistance in the war. The relative sizes of the two governments do not indicate their fighting strength, for almost half of the northern territory was unsettled and unorganized.

The most valuable natural resource of each section was the soil. Along the Atlantic seaboard, both north and south, agriculture was

<sup>1</sup> Hitherto we have used the term "South" to designate the rather indefinite area lying south of the Mason and Dixon line and the Ohio River. In this chapter and the one that follows, it means the Southern Confederacy.



important, but relatively less so than it had been a half century before. The center of agricultural interests was now in the Mississippi Valley and along the Gulf. Those regions comprised the largest compact area of fertile land in the world. Thus the North and the South each had a large area of good farm land, though the Northwest excelled the South and Southwest both in area and in fertility.

In other natural resources, the North had yet greater advantages. Prior to the war little coal and iron were mined in the South, the gold production of Georgia and North Carolina had declined until it was relatively unimportant, and the output of lead and zinc scarcely merits consideration.

PRODUCTION OF MINERALS, 1860

	Coal (Tons)	Copper Ore (Tons)	Lead Ore (Dollars)	Zinc Ore (Tons)	Iron Ore (Tons)
South . . .	522,981	5,879	\$61,000	.....	76,437
North . . .	14,650,428	8,553	916,281	11,800	2,437,845

Thus in natural resources the two sections were unequally equipped. The North had twice as much available land as the South, and an infinitely greater production of minerals. Both were important factors in the war: the one supplied foodstuffs; the other, arms and equipment.

**266. The Wealth of the Two Sections.**—In wealth the two sections differed both in amount and character. The total wealth of the eleven states in the Confederacy was a little more than two and a quarter billion dollars in 1850, and a little less than five and a quarter billion in 1860, a gain during the decade of approximately 125 per cent. At each date the wealth of the North was just about double that of the South; it amounted to almost five billion in 1850 and to more than ten billion in 1860. Thus the total wealth of the country at the outbreak of the war was approximately sixteen billion dollars. Both sections had enjoyed almost exactly the same rate of increase during the preceding decade. In the matter of per capita wealth, however, the South had the advantage. With one-fifth of the total white population, it possessed, in 1860, almost one-third of the total wealth. In other words the per capita wealth of the South (whites

## NATURAL RESOURCES, WEALTH, AND POPULATION 307

only taken into account) was almost \$1,000; in the North it was less than \$600. To be sure, the slaves made up no inconsiderable portion of the southern wealth.

The practice of assessing the value of slaves for purposes of taxation gave an undue prominence in the South to personal property. In Mississippi, for example, this form of property in 1860 made up more than two-thirds of the total wealth of the state. In the North, on the other hand, but four states — California, Maryland, New Hampshire, and Oregon — and two territories returned larger values in personal property than in real estate.

### ASSESSED VALUE OF REAL AND PERSONAL PROPERTY, 1860

State	(Typical States)	Real Estate	Personal Property
Massachusetts . . . . .		\$475,413,165	\$301,744,651
Georgia . . . . .		179,801,441	438,430,946
Mississippi . . . . .		157,836,737	351,636,175
Ohio . . . . .		687,518,121	272,348,980
Kentucky . . . . .		277,925,054	250,287,639

**267. Elements of Population.**—In the last census year (1860) prior to the beginning of hostilities between the North and the South, the total population of the United States was 31,443,321, divided among the various elements as follows:

Native born whites . . . . .	22,825,659
Foreign born whites . . . . .	4,131,812
Slaves . . . . .	3,953,760
Free negroes . . . . .	488,070
Indians (outside reservations) . . . . .	44,020

More significant than mere numbers was the strength of each section in fighting men. The total white population, in 1860, of the eleven states comprising the Confederate government was 5,449,466; of the twenty-three states remaining in the Union (excluding the territories), 21,256,959. If we assume that one-half of the whites in the three border states, Missouri, Kentucky, and Maryland, actively assisted the South, then the white population would be, South, 6,698,938; North, 20,007,487. Of this white population the number of males between 18 and 35 in the South was about 800,000; in the

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North, about 3,200,000. If, however, 200,000 in the border states sympathized with the South then the strength of the two sections in young men was 1,000,000 and 3,000,000 respectively, or one to three. In comparing the war strength of the two sections, however, the slaves merit consideration, for their labor in cultivating the farms and in building military roads and fortifications permitted the South to assemble a much larger force of fighting men than it otherwise could have done.

**268. Personal Characteristics — North and South.**—What the South lacked in numbers it made up, partially at least, in training and organization. The typical southerner appears to have lived a great deal out of doors. Hence, he found it less difficult to adjust himself to camp life and army conditions than did the typical northerner. He was a better horseman, more accustomed to the use of firearms, and already acclimated to the regions in which most of the fighting was to occur. The South, moreover, met fewer obstacles in organizing its armies. Military training had been more general in that section than in the North, the military academy being the typical school for higher education. Hence large numbers of the so-called upper classes were familiar with military tactics and field maneuvers. Not only had they been trained to fight, but, what was not less important, they had been bred and educated to be social and political leaders. Military leadership, then, came to them easily and naturally. Consequently the South was not embarrassed by lack of discipline among the troops. In the North, on the other hand, many of the officers knew little about military affairs. Moreover, they and the men under their command came from the same social and industrial classes, and as a result military discipline in the northern army during the early years of the war was notably weak.

Neither side appears to have had any advantage in courage and loyalty. Both armies performed exploits that won the admiration of the whole world. Not only in the field but at home, the people made sacrifices and underwent hardships in order to advance the cause of their respective governments.

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There were differences, however, which may or may not have affected the outcome of the struggle. The typical southerner was impetuous, easily offended, and quick to resent a real or fancied wrong. His contact with slavery gave him an exceedingly high opinion of the white race, particularly of his own class in the South. The well-to-do of that region were inclined to regard manufactures, trade, and commerce as servile. Small farmers, mechanics, and laborers naturally assumed the same attitude. The southern gentleman gave serious consideration to affairs aside from his business. He traveled extensively, and studied seriously the art of government. He was often as familiar with European cities and the forms of European governments as he was with his own. The poorer classes, on the other hand, had no time for such diversion. In fact they were too often uneducated and extremely narrow, and biased in their opinions and ideas. Such were the southern people of ante-bellum days as characterized by observers who had no desire whatever to do them an injustice.<sup>1</sup>

Northerners likewise had their strong and weak characteristics. They were cool and calculating, even phlegmatic, were more deeply absorbed in business, and laid greater stress than did the southerners on material success. Class distinction in the North received little consideration. Education was more general, and the wealth more evenly distributed. Middle-class northerners were better read than the same classes in the South. In fact, the assertion is often made that the northern soldiers averaged exceptionally high in intelligence, and in ability to act on their own initiative. The wealthier classes of the North did, however, lack the polished manner and the courtly bearing of the southern planter and professional man.

These differences of characteristics may account for the course and conduct of the war. During the earlier years of the struggle, the South with its relative weakness in men secured victory after victory with inferior forces simply because of ability to organize and train its troops and because of the impetuous spirit manifested in attack. The

<sup>1</sup> J. S. Buckingham, J. D. B. DeBow, and F. L. Olmsted picture southern life and character in a very interesting manner.

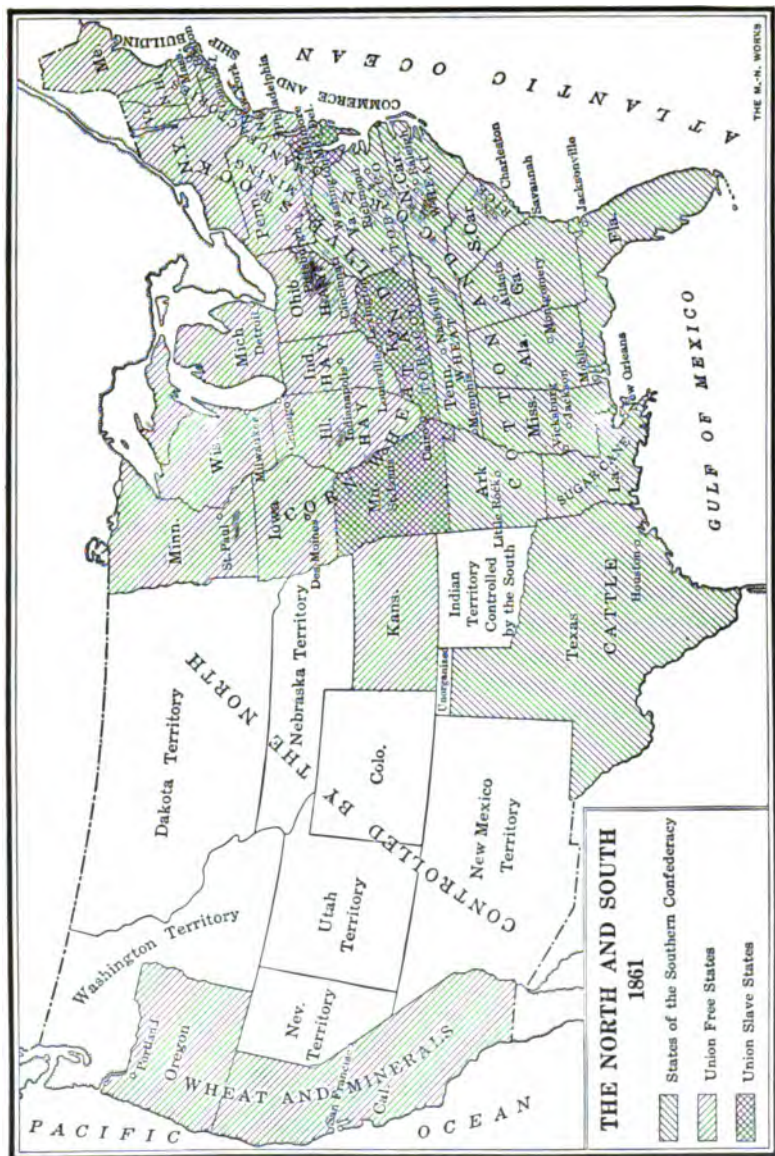
North organized its military and industrial forces more slowly, but with three times the available men and with infinitely greater natural resources it seemed destined to win in the end.<sup>1</sup>

## II. INDUSTRIES — NORTH AND SOUTH

**269. Industry and War.**— Napoleon is said to have remarked that an army moved on its stomach, meaning that the food supply was the most important element in waging a successful military campaign. He might have added that the industrial resources of a country were not less important than its supply of soldiers and the training of its leaders in military skill. The progress of the Civil War and its ultimate outcome were determined not alone by the strength, training, and leadership of the armies in the field. The New England factory, the Pennsylvania iron mill, the western grain field, the well equipped northern railroad, and the ocean steamship, each in its own way contributed to the victory of the North. In all these respects, unless it was in the production of food, the South was lamentably weak. It had few mills and factories for making cloth, arms, and equipment, no well organized railway system free from attack by northern armies, and little foreign commerce after the North had blockaded southern ports. A sufficient supply of iron and cloth combined with undisturbed ocean navigation and railroad transportation would have added infinitely to the military strength of the South.

**270. Northern Agriculture.**— At the outbreak of the Civil War, the most important single industry in the North was agriculture. Then, as now, the chief farming regions were in the upper Mississippi Valley. Corn, wheat, hay, oats, and rye were the leading crops. In 1860, Ohio, Indiana, and Illinois alone produced almost one-third of all the wheat grown in the country, and considerably more than one-fourth of all the corn. New York and Pennsylvania led in the production of oats, rye, and hay. The dairy interests likewise cen-

<sup>1</sup> For interesting comparisons of the North and South, see Rhode's *History of the United States from the Compromise of 1850*, vol. III, pp. 397-415, and Schouler's *History of the United States under the Constitution*, vol. VI, pp. 290-341.



tered in those two states. Ohio, Illinois, and New York came first in horses; New York, Ohio, and Pennsylvania, in milch cows; Missouri, New York, and Kentucky, in working oxen; Ohio, Illinois, and New York, in beef cattle. The chief centers of the sheep raising industry were in Ohio, New York, and Indiana. Swine were raised in large numbers in all of the states of the North; Indiana, Missouri, and Kentucky led in their production.

**271. Southern Agriculture.**—Agriculture was relatively more important to the South than to the North. Not only was it the chief industry, it was the all-absorbing one. Almost every interest in that region centered in the cultivation of the soil. The leading crops were cotton and corn. Others of less importance were tobacco, rice, sugar cane, sweet potatoes, and wheat.

Considering as a whole the eleven states that comprised the South, the first interest of the people was in cotton. This was not because its value greatly exceeded that of corn, but rather because it was the great staple crop, exchangeable for money almost anywhere and at all seasons of the year. The heaviest producing cotton states were Mississippi, Alabama, Louisiana, and Georgia. In 1860 these four states produced 3,600,000 bales of 400 pounds each, which was more than two-thirds of the country's crop.

The corn crop of the South, in 1860, exceeded 280,000,000 bushels. The per capita production was a little more than *thirty-one* bushels; the per capita production of the twenty-three states that remained in the Union was but *twenty-five* bushels.

LEADING CORN-PRODUCING STATES OF THE SOUTH, 1860

State	Production in Bushels	Bushels per Capita
Tennessee . . . . .	50,748,266	45
Virginia . . . . .	38,360,704	24
Alabama . . . . .	32,761,194	34
Georgia . . . . .	30,776,293	29
North Carolina . . . . .	30,078,564	30
Mississippi . . . . .	29,563,735	37

In the production of rice the leading states were South Carolina and Georgia; of tobacco, Virginia, Tennessee, and North Carolina; of sugar cane, Louisiana; of sweet potatoes, Georgia, North Carolina,

Alabama, and Mississippi. In the production of wheat, Virginia, Tennessee, and North Carolina ranked first. Like the North, the South raised a variety of domestic animals in large numbers. Particularly were swine numerous. In 1860, the South with less than a third of the total population of the country, produced one-half of the swine. That is, the per capita production of swine in that section was much greater than it was in the North.

Thus in so far as two chief food products (corn and pork) were concerned, the South had a decided advantage over the North.<sup>1</sup>

**272. Manufactures.**— In 1860, for the first time in the history of the United States, the output of the factories, mills, shops, and mines exceeded in value the products of the farms. The goods manufactured in that year were worth approximately two billion dollars; and in their manufacture more than one million men and a little less than three hundred thousand women were employed.

#### LEADING MANUFACTURES, 1860<sup>2</sup>

Flour and meal . . .	\$224,000,000	Leather . . .	\$72,000,000
Cotton goods . . .	115,000,000	Clothing . . .	70,000,000
Lumber . . .	96,000,000	Woolen goods . . .	69,000,000
Boots and shoes . . .	90,000,000		

The great bulk of the manufacturing plants was in the North. In fact, more than 92 per cent of the country's total output came from that region. That is, the per capita production of the North was five times as great as that of the South. In the former section it amounted annually to almost \$80; in the latter, to about \$16.

#### MANUFACTURES OF THE NORTH AND SOUTH, 1860

Section	Number of Establishments	Capital Invested	Value of Raw Materials	Number of Hands Employed	Value of Annual Product
North . . .	110,274	\$949,335,000	\$929,391,000	1,274,890	\$1,754,650,000
South . . .	18,026	100,665,000	82,609,000	110,110	145,350,000

<sup>1</sup> For contrary opinion, see Bogart's *Economic History of the United States*, p. 202; Coman's *Industrial History of the United States*, p. 238.

<sup>2</sup> Less important manufactures were:

Machinery . . .	\$47,000,000	Bar and other rolled iron	\$22,000,000
Printing . . .	42,000,000	Pig iron . . .	20,000,000
Sugar refining . . .	38,000,000	Malt liquors . . .	18,000,000
Iron founding . . .	29,000,000	Agricultural implements	18,000,000
Spirituous liquors . . .	25,000,000	Paper . . .	18,000,000
Furniture . . .	24,000,000	Soap and candles . . .	17,000,000



The one industry for which the South was soon to feel the greatest need was the manufacture of iron. Though the iron foundries of that section turned out, in 1860, one-fifth of the country's total product, most of them were located in Virginia, Tennessee, and Louisiana, and it was not long until they fell into the hands of the enemy. At this time the iron producing regions around Birmingham had scarcely been explored, and the great progress made later by that district in iron manufactures had not yet begun.

Another industry in which the South was deficient was the manufacture of cotton and woolen cloths. Its total production was less than one-tenth of that of New England alone. Five of the eleven southern states had even suffered a decline in cotton manufacture since 1850, though during the same period the production of woolen cloth had more than doubled. In one respect, however, the South had a slight advantage. Its home manufactures, which consisted principally of cloth, were of considerable importance, amounting to more than ten million dollars in 1860.

A third important industry, especially from a military standpoint, was the manufacture of boots and shoes. Then as now, this industry was carried on principally in New England. The South produced scarcely 3 per cent of the total output. As in the case of cloth, the lack of boot and shoe manufactures in the South was made up in part by household industries; hence the differences may not be as great as they appear.

Regarded from any angle, the South was much inferior to the North in manufactures and this inferiority must have seriously handicapped that section in its struggle with the North.

**273. Railroads.**—Railroads, in 1860, as has been noted, were generally short and disconnected, of different gauges, and rather poorly equipped. The total mileage of the country was 30,793, of which 8,947 miles were in the South and 21,846 in the North. Considering area and population, each section had its proper share of railroad mileage. In stability of construction, length of lines, and equipment the North appears to have had an advantage. Many of

the southern roads had been built wholly or in part with state funds. Consequently, they had been located to serve local needs, and were more or less under state control. Often they stopped short at the state line, making no connection with lines in other states. Many of them, as one writer puts it, "began nowhere and ended nowhere." The same characteristics attached to northern roads but not to the same extent. There also the states had assisted in construction, but by 1860 the private corporation dominated in their ownership and management. Moreover, the presence of many relatively large cities in the North compelled lines to be more continuous than in the South.

The location and direction of the roads in the two sections had a bearing on their military importance. In general their direction was east and west. As far as railroads were concerned the region north of the Ohio was almost entirely distinct from the region south of it. To this lack of railroad connection between the North and the South many have ascribed the causes of the misunderstanding between the two sections.<sup>1</sup> The location of the best roads in the South was unfortunate from a military standpoint. The activities of the northern troops in Tennessee, Mississippi, and Louisiana rendered useless some of the best lines in that section, thus cutting off the Texas food supply from the Confederate army. In the east the proximity to the coast of the roads from Richmond southward made difficult their maintenance and defense. A well-equipped road from the Lower South to Virginia located farther inland would no doubt have added immeasurably to the military strength of the South.

**274. Water Transportation.**—So far as inland navigation was concerned, neither section had a decided advantage. Each had numerous navigable rivers. What the South lost in having no share in the Ohio it more than made up in its many short streams that flowed into the Gulf. Likewise each section had a long line of seacoast with spacious harbors.

<sup>1</sup> If the north and south lines of railroad had existed to any extent, the two sections would have known each other better and the causes for misunderstanding would have been less than they were.

On the sea, however, the South was exceedingly weak. As a section, it had directed its energies in agriculture to the exclusion of commerce; and for years far-sighted southern leaders had lamented this fact. Thus the South had taken no part in the development of the American merchant marine, which, in 1860, almost equalled that of Great Britain. Even the coasting trade of that section was largely carried on in northern vessels, manned by northern seamen.

We may now properly examine again the strength of the two governments as they faced each other in a life and death struggle. The North had an advantage in white population of three to one, possessed the bulk of the country's manufactures, and enjoyed a monopoly of the carrying trade. The South had the labor of 4,000,000 slaves, its military forces were more easily organized and disciplined, and, as events proved, it had the advantage of fighting on the defense. Each side had ample food supplies, but the South was handicapped by lack of proper railroad facilities for moving them.

#### ORAL AND WRITTEN EXERCISES

1. Name the states comprising the Confederacy.
  2. Which slave states remained in the Union?
  3. Compare the two sections in mineral resources, wealth, and population.
  4. Characterize the southern people, northern people.
  5. Just how did the Pennsylvania iron mills affect the outcome of the war?
  6. What were the leading agricultural crops in the South? in the North?
  7. Why did the South emphasize the cotton crop?
  8. In what food crops was the South deficient?
  9. What were the leading manufactures in 1860?
  10. How did the lack of manufactures in the South affect the outcome of the war?
  11. Why is it sometimes said that north and south railroad lines might have prevented the war?
  12. What caused the South to be weak in railroad transportation?
  13. Why was the South weak on the sea?
  14. How did this weakness affect the outcome of the war?
- 
15. Suggested topics for oral or written report:
    - Strength of the North.
    - Strength of the South.

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## CHAPTER XIX

### THE CIVIL WAR, 1861-1865

#### I. FINANCING THE WAR

**275. Government Finances, 1861-1865.**— At the outbreak of the war the monthly receipts and expenditures of the government each averaged about five million dollars. The principal source of revenue was the tariff. The sale of public lands brought but a few millions a year into the treasury; internal taxes, which later produced millions of dollars in revenue annually, were not levied on such articles as liquors and tobacco. The public debt was about seventy-five million dollars. In other words, the annual expenses of the national government were less than two dollars per capita, the public debt was about the same, and the annual interest on the public debt amounted to a little more than ten cents per capita. The yearly expense incurred in maintaining the army and navy was comparatively small.

The war with its heavy financial burdens soon rendered receipts and expenditures on such a scale inadequate. In the North the daily expenditures of the government before the war came to an end reached the staggering figure of more than two million dollars. At its close the public debt was about three billion dollars, which was forty times greater than it had been four years before. The annual interest on this huge indebtedness was in excess of \$135,000,000, which was more than double the total expenditures of the government in 1860. The South likewise spent hundreds of millions of dollars in carrying on the war. To meet such expenditures each government issued paper money, imposed taxes, and floated loans. The North put into circulation more than four hundred million dollars in United States notes, referred to usually as greenbacks, besides many millions in other kinds of notes; it also increased the receipts by raising the tariff rate, by collecting internal duties, and by taxing incomes; besides, it

borrowed over two billion dollars on government bonds. The southern government also used paper money redeemable at the end of the war, imposed tariffs and internal taxes, and borrowed money.

**276. Greenbacks.**—The heavy expenditures of the war made it necessary for the North to find means for raising more revenue. The quickest and easiest by far was to issue paper money. Accordingly, in February, 1862, Congress authorized the printing of \$150,000,000 in United States notes, popularly known as greenbacks.<sup>1</sup> They were similar to the continental money of Revolutionary days; their ultimate redemption in gold depended on the integrity and financial ability of the government. One provision of the law, known as the legal tender clause, compelled creditors to accept greenbacks in payment of debts. Many people opposed the clause on the ground that debts contracted prior to the enactment of the law had been made with the clear understanding that they should be paid in gold or silver. Notwithstanding the opposition, the government put the greenbacks into circulation as legal tender money.<sup>2</sup> The first issue was soon spent in buying war supplies and in paying the wages of the soldiers. In June, 1862, Secretary of the Treasury Chase asked the authority of Congress to print another "batch" of \$150,000,000, which was granted. Later issues brought the total amount up to \$450,000,000.

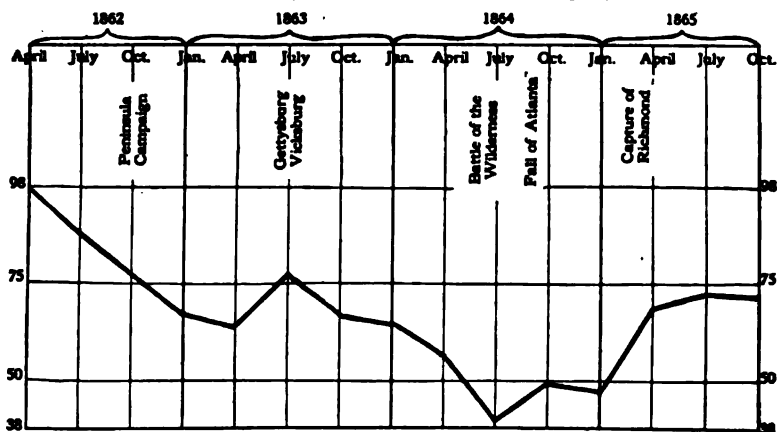
With the suspension of specie payments by the government at the beginning of the year 1862, gold ceased to circulate, its place being taken by greenbacks. Soon the latter depreciated in value until by December a greenback dollar was worth but seventy-five

<sup>1</sup> The United States notes were called greenbacks because the backs were printed in green.

<sup>2</sup> Business men of California formed agreements "not to receive or pay out legal tender notes at any but the market value, gold being adhered to as the standard." Loyal observance of such an agreement could not be maintained; hence the specific contract act of April 27, 1863, provided that contracts for the payment of specific kinds of money should be enforceable by legal process. When the state courts declared this law constitutional, the business men were fairly well protected, for they inserted in their contracts clauses requiring payment in gold coin. Although greenbacks were not prevented from circulating, they were usually passed at their gold, not their nominal, value.

cents in gold. Throughout the war, greenbacks fluctuated in value with the success and failure of the northern army. Victories at Gettysburg and Vicksburg in July, 1863, increased their value; failure of Grant to win a decisive victory in the Wilderness Campaign in the summer of 1864 caused them to fall to about forty cents in gold, the lowest point they ever reached.<sup>1</sup>

### DEPRECIATION OF GREENBACKS



By adding to the amount of money in circulation, the greenbacks caused a rise in prices and a somewhat less increase in wages. The result was that the wage earners, though they received more money for the same work than they had received before the war, found that

<sup>1</sup> W. C. Mitchell in his *History of the Greenbacks*, mentions six important factors affecting the gold premium:

1. The increase in the amount of greenbacks.
2. The condition of the United States treasury.
3. The credit of the government as shown by bond quotations.
4. Changes in the personnel of the government.
5. Foreign relations.
6. War successes and failures.

In speaking of the last point Mr. Mitchell says: "Grant's series of victories at Chattanooga caused a rise of \$4.99 in four days. The victory of Sheridan over Early at Opequan Creek and two days later at Fisher's Hill led to an advance from \$44.10 to \$46.30. Sherman's capture of Atlanta, announced in New York September 3, 1864, occasioned a rise from \$39.29 on the preceding day to \$42.37." Mitchell's *History of the Greenbacks*, p. 204.

a day's wages would not buy as much as it had formerly bought. In short, *money* wages had increased, while *real* wages had declined.

**277. United States Bonds.**— Money for carrying on the war was also secured by borrowing on the credit of the United States. The government issued bonds and sold them to whoever cared to buy. In March, 1863, for instance, Congress passed a law providing for the issue of 5 per cent bonds "redeemable in ten years and payable in forty years." That is, the government reserved the right to redeem the bonds after ten years, and agreed to pay them off in forty years at the latest. These particular bonds were known as 10-40's. Other issues provided for different rates of interest and for different periods of payment. Altogether at various times during the course of the war the government sold bonds aggregating in face value more than two billion dollars.

**278. The War Tariffs.**— A third source of revenue, the one that had been the most important prior to the war, was the tariff. The Morrill Act of 1861 was passed, as we have seen, to provide for a deficit in the Treasury caused by the panic of 1857. A majority in Congress still favored moderate rates. Later in 1861, the Republicans came into power and set about to increase tariff rates. In 1862 the First War Tariff Act was passed. Others followed in 1864. In spite of a decline in the volume of imports, the new tariff rates more than doubled the revenue from that source. They were high enough to afford ample protection for northern industry.<sup>1</sup> In fact, the War

	<sup>1</sup> Morrill Tariff March, 1861	Tariff of July 14, 1862	Tariff of June 30, 1864
Pig iron . . . . .	\$6 per ton	\$6 per ton	\$9 per ton
Iron rods . . . . .	\$20 per ton	\$25 per ton	1½c per lb.
Steel in ingots valued less than 7 cents per lb. . . . .	1½c per lb.	1¾c per lb.	2¼c per lb.
Salt . . . . .	4c per bushel	18c per cwt.	18c per cwt.
Silks . . . . .	30%	40%	50%
Wool, valued 18 to 24 cents per lb. . . . .	3c per lb.	3c per lb.	6c per lb.
Wool, valued 24 to 32 cents per lb. . . . .	9c per lb.	9c per lb.	10c per lb. and 10%
Woolen manufactures not other- wise specified . . . . .	12c per lb. and 25%	18c per lb. and 30%	24c per lb. and 40%



Tariffs contained the highest rates the country up to that time had ever experienced.

**279. Internal Taxes.**—The demands of the war for more and more money caused Congress to resort to internal taxes, which for more than a decade had not been collected in the United States. Accordingly, heavy taxes were laid on liquors and tobacco, and lighter ones on general manufactures. In addition, a stamp tax was imposed, and incomes were taxed.<sup>1</sup>

Internal taxes were largely responsible for the increase in tariff rates. Manufacturers of iron, for example, when compelled to pay internal taxes on the output of their establishments, insisted that Congress should compensate them with additional protection against foreign competitors.

Year	RECEIPTS FROM CUSTOMS AND INTERNAL TAXES	
	Customs	Internal Taxes
1862 . . . . .	\$ 49,056,398	.....
1863 . . . . .	69,059,642	\$ 37,640,788
1864 . . . . .	102,316,153	109,741,134
1865 . . . . .	84,928,261	209,464,215

**280. The National Bank System.**—Closely associated with the efforts of the government to finance the war, was the establishment, in 1863, of the National Bank System. At the outbreak of the war, as we have noted in another connection, banking was carried on under state authority. Suspension of specie payments at the beginning of the year 1862 had caused all bank notes to depreciate and had rendered some of them worthless. Such was the situation when Congress, in 1863, provided for the organization and regulation of national banks. The chief reasons for establishing the system were two: (1) To provide a bank note currency more uniform and stable than the state banks could supply; (2) to provide a market for government bonds by requiring the national banks to use them as security for their notes. Both objects were attained. Two years later (1865), Congress gave

<sup>1</sup> The first tax on incomes, August 5, 1861, levied a rate of 3 per cent on the excess of all incomes above \$800 a year. This tax was increased in 1862, and again in 1865. In the latter year, incomes between \$600 and \$5,000 were taxed at 5 per cent and above \$5,000 at 10 per cent. Soon after the war, the limit of exemption was advanced to \$1,000 and in 1867 to \$2,000. Although the tax was abolished in 1872, it had yielded about \$347,000,000 during the time it was in force.

the national banks a monopoly on note issue by imposing a prohibitive tax on state bank notes. Thus the Civil War was the direct cause of the adoption of the National Bank System.

**281. Finances of the Confederacy.**— The attempts of the South to finance the war were similar, in general, to those made by the North, though not so successful. Both governments borrowed money, assessed taxes, and issued paper currency. The South, however, worked under greater disadvantages. At the outbreak of the war, that



A Confederate Five-dollar Note

section had little specie — estimated at twenty-seven million dollars — and its banking facilities were comparatively meager. To make matters worse, the blockade of southern ports, by preventing exportation of cotton, destroyed whatever hopes the government had of getting gold from Europe. Hence the financial history of the South was made up largely of one effort after another, usually costly and but partially successful, to raise money for the war.

In February, 1861, the Confederate Congress authorized the issue of \$15,000,000 in bonds bearing 8 per cent interest, and redeemable in ten years. A few months later an export duty of one-eighth of one cent a pound was placed on cotton for the payment of the principal and interest of these bonds. This issue was but the beginning of the policy of borrowing money on bonds. During the first year of the

war, provision was made whereby the government exchanged more than a hundred million dollars worth of bonds for produce such as cotton, tobacco, rice, and flour.<sup>1</sup> Other issues were sold in Europe, some were bought by the states, while others were exchanged for Confederate currency. On the whole we may say that the efforts of the government to raise money on loans was largely a failure, simply because the people of the South had no specie with which to buy bonds and because little cotton could be smuggled through the blockade. The South did, however, borrow enough money abroad to buy the *Alabama* and other cruisers, which destroyed or captured scores of northern merchantmen.

Like the North, the South resorted early in the struggle to issuing paper money. In May, 1861, the first issue of \$20,000,000 was made. Like the North also, the southern government found it easier to print money than to raise it by taxation. Accordingly one issue after another was put out. By the end of 1861 the amount in circulation had reached \$150,000,000. A year later it was \$500,000,000, and before the close of the war more than a billion dollars of Confederate paper money had been issued. As might be expected, these notes depreciated in value just as greenbacks did in the North, but to a much greater extent. In fact, the close of the war saw them worthless.<sup>2</sup> Several times the government tried without success to contract the circulation in order to stop depreciation. Laws were passed to compel holders of paper money to exchange it for bonds; other laws imposed heavy taxes on it.

The Confederate government raised comparatively little money by taxation. Import duties were imposed, but on account of the blockade little revenue was derived from that source. The export duty on cotton — no export duties have ever been laid by the United States government<sup>3</sup> — produced but a relatively small amount. The

<sup>1</sup> These are known as "produce bonds."

<sup>2</sup> In March, 1865, one dollar in gold was worth \$61 in Confederate currency. See Schwab's *The Confederate States of America*, p. 167, for an interesting table showing the "average monthly value in currency of one gold dollar."

<sup>3</sup> Section IX, Article 5 of the Constitution of the United States, reads: "No tax or duty shall be laid on articles exported from any State."

states, as we have seen, made contribution to the central government, but not on a scale large enough to afford any great assistance.

The late Professor Schwab analyzed the financial resources and policies of the Confederacy as follows: "Among the agencies which weakened the power of the South to resist the North we put first the Federal blockade and the Confederate financial policy. . . . A financier [as secretary of the treasury] of like talent to that of the Southern military leaders would doubtless have conducted the affairs of the treasury with more success."

## II. THE WAR AND INDUSTRY

**282. War-Demand for Goods.**—The mobilization of several million men by the two governments stimulated the production and sale of food, clothing, and equipment. During the earlier years of the war a majority of the men in the field wore more and better clothing perhaps than they had been accustomed to wear at home. Many were even better fed. Even if the men as soldiers had consumed no more than they had consumed as private citizens, nevertheless the methods of production and distribution would have undergone radical changes. Formerly each man had produced with his own hands on his own farm a great deal of the food he had consumed, depending on the village store for the remainder. Moreover, thousands of soldiers had come from homes in which the homespun was still used. War changed all this. Each government, more particularly the North, now furnished food rations by the million, and bought great quantities of shoes, hats, caps, socks, underclothing, trousers, and coats. The result of such a change on industry is easy to foresee: new factories and warehouses were built and old ones enlarged; thousands of men turned their attention to producing clothing and equipment; thousands of others engaged in collecting and shipping foodstuffs. All forms of business felt the stimulus of the war-demand for goods. Farmers found a ready sale for their crops at a higher price than they had formerly received; railroad and steamboat traffic was greatly in-

creased; wage earners found plenty of employment; and capital could scarcely meet the demands made on it.<sup>1</sup>

**283. Standardization in Manufacture.**—One of the industries affected early in the war was the manufacture of clothing. Up to that time, men's suits had been tailored largely in the homes or by custom tailors. Each suit had been made more or less to the individual measure and taste of the wearer. Such methods were impracticable for supplying army uniforms. The government needed coats, trousers, and other garments immediately and in large quantities. These it secured from manufacturers who quickly enlarged their plants to take care of the increased business, or from "army contractors" who sublet the contracts to small establishments. At this point in the development of the industry, standardization took place. Instead of measuring each man, the manufacturer made coats, for example, in standard sizes, a practice which has characterized ever since the ready-to-wear clothing industry. The adoption of standard sizes permitted the making of thousands of garments fashioned on one pattern. Consequently, laborers became skilled in a few operations, thereby greatly increasing the output over what the same number of laborers could have produced working singly or in small groups.

Standardization and large scale production in other lines of manufacture were necessary to meet the needs of the government. Machinery, implements, tools, in fact every article used directly by the army or in producing army supplies, demanded the best and most improved methods of production.

**284. The Use of Machinery.**—Standardization and large scale production were closely connected with an increased use of machinery. In the mills and factories, machines displaced hand labor in many operations. Likewise on the northern farms, reapers, mowers, thresh-

<sup>1</sup> During the war many of the old southern aristocracy became poor, and many respectable northern families held their own with difficulty. During this same period, however, many people won fortunes honestly or dishonestly by army and navy contracts, gold gambling, and speculation in bank, railroad, factory, or kindred stocks, and by ventures in cotton, sugar, or other commodities.

ing machines, and other implements did the work formerly performed by the million and more young men who had gone into the army. As a result, industry was not hampered by the withdrawal of so many workers; instead it was stimulated and caused to grow. It would perhaps not be far wrong to say that the wonderful growth of manufactures during the past fifty years and the widespread use of machinery in agriculture had their real beginning in the production of supplies and equipment for the northern army.

No such effect was felt in the South. Manufactures necessarily increased to some extent: small, however, when compared to the increase in the North. The development of factories and mills in that section came after the war was over. The war scarcely affected agriculture so far as machinery was concerned. In fact the South had fewer farming tools in 1865 than in 1860.

**285. Railroad Construction.**—The war had both a good and a bad effect on railroad building in the United States. In so far as the transportation of goods and troops, by increasing the earnings of railroads, stimulated extension, the effect was good. The war itself, on the other hand, effectively stopped railroad building in the South and lessened it materially in the border states. Even the North experienced a falling off in railroad construction compared with the previous decade. Considering the United States as a whole, a little more than forty-five hundred miles of new track were laid during the years 1860–1865. Practically all this increase was in the North. In fact, some of the southern states actually had less mileage at the close of the war than they had had at the beginning. Several of the short interior lines in the South were stripped of their iron and equipment in order to repair the more important military lines in Virginia and North Carolina.<sup>1</sup> The heaviest increase in mileage was in Pennsylvania, Ohio, Michigan, and Illinois. In the South the central government built several important lines for military purposes, but on account of the scarcity of iron, machinery, and skilled mechanics,

<sup>1</sup> The famous Confederate war vessel, the *Merrimac*, was armored with railroad rails.

it succeeded in building but fifty miles during the entire course of the war.

Section	GROWTH OF RAILROAD MILEAGE, 1860-1865		
	Mileage, 1860	Mileage, 1865	Increase
New England . . . . .	3,660	3,834	174
Middle States . . . . .	6,706	8,539	1,833
Western States . . . . .	11,064	12,947	1,883
Southern States, including Kentucky . . . . .	9,182	9,032	450
Pacific States . . . . .	23	233	210

**286. Decline of the Merchant Marine.**—At the outbreak of the war, the merchant marine of the United States exceeded five million tons, almost equaling that of Great Britain. The country then was known the world over for its activities in shipping and navigation. The war started a change in all this. Shipping declined for a variety of reasons: first, shipbuilders and owners found that their capital would bring larger returns if used to produce army supplies and equipment; hence, they preferred to invest in factories and railroads. Second, the government bought many of the vessels and transformed them into troop-ships, thereby reducing the number and tonnage of American merchantmen. Third, Confederate cruisers, the *Alabama* in particular, destroyed or captured many of the northern vessels engaged in ocean commerce.<sup>1</sup> Fourth, owners, to escape risk of capture, sold their vessels to foreign ship companies. In any case the result was the same, namely: the decline of the merchant marine.

Year	TONNAGE OF AMERICAN VESSELS		
	Foreign Trade	Coastwise Trade	Lake Trade
1855 . . . . .	2,535,206	2,314,140	352,655
1860 . . . . .	2,546,237	2,339,857	466,774
1861 . . . . .	2,642,628	2,406,740	490,445
1862 . . . . .	2,291,251	2,267,653	563,260
1863 . . . . .	2,026,114	2,493,888	653,054
1864 . . . . .	1,581,894	2,705,833	700,673
1865 . . . . .	1,602,583	2,820,502	673,697

<sup>1</sup> The acts of this noted cruiser gave rise to the famous "Alabama Claims." In accordance with the Treaty of Washington, 1871, the arbitrators appointed by Brazil, Italy, Switzerland, Great Britain, and the United States met at Geneva in 1872. They refused the claims of the United States for indirect damages, but decreed that England should pay the United States fifteen million dollars for injuries inflicted by the *Alabama* and other cruisers fitted out in England.

**287. Immigration.**—The war had the effect of checking immigration into the United States. Opportunities for taking up government land were less than they had been before the war. The southwestern sections of the country were closed to immigrants, while portions of the West were overrun by the warring armies and marauding bands of both sections. Those who would have been likely to emigrate to America knew little about the causes of the war and the issues involved: that there was war at all sufficed to discourage their coming. Moreover, President Lincoln made it clear that foreigners in the North were not exempt from military service.

## ARRIVAL OF IMMIGRANTS

1860 . . . . .	150,237
1861 . . . . .	89,724
1862 . . . . .	89,007
1863 . . . . .	174,524
1864 . . . . .	193,195
1865 . . . . .	247,453

Average number of immigrants annually 1850-1860 was 280,000.

## III. COURSE OF THE WAR

**288. Events of 1861.**—The news that Fort Sumter had been assaulted by the Confederates aroused the fighting blood of both sections. Up to that time it is probable that neither government had expected the other to fight; and that a majority of the people, North and South, had thought that conflicting interests would be adjusted without war. Both sides now began to prepare for the struggle. President Lincoln called for volunteers; President Davis did likewise. The people responded with enthusiasm. Events moved rapidly. Lincoln declared the southern ports blockaded, April 19th; four other states, Virginia, North Carolina, Tennessee, and Arkansas, joined the Confederacy (May 6th to June 18th); and the southern capital was moved to Richmond. Neither side, however, was adequately prepared for war, neither side "dreamed how awful a struggle was about to begin."

The Confederate victory at Manassas (Bull Run) in July, 1861, not only encouraged the South, but what was more important in the



end, convinced the North that the war was to be something more than a "before breakfast" affair, as many had believed it to be.



Abraham Lincoln  
Born 1809. Died 1865

John Slidell, while on their way to Europe were taken forcibly from the British steamer *Trent* by a United States man of war.<sup>1</sup> The act aroused the British, for it was a plain violation of International Law and contrary to the very principles for which the United States had always stood. Northern people applauded the act, but Lincoln's sound judgment saved the day.

<sup>1</sup> This is known as the "Trent Affair."

Accordingly, as we have seen, Congress provided for raising money, for raising additional troops, and for strengthening the navy. No other battle of importance was fought before the end of the year; both sides were too busily engaged in preparation. An event happened in November, however, that threatened for a time to involve Great Britain in the struggle. Two southern commissioners, J. M. Mason and



Jefferson Davis  
Born 1808. Died 1889

He ordered the release of the two commissioners, and the incident, which almost brought Great Britain into the war, was closed.

**289. Second Year of the War.**—The second year of the war saw the beginning of the North's offensive movement, which eventually crushed the South by its very weight. In the West, General Grant captured Fort Henry on the Tennessee River, February 6, 1862. Ten days later he took Fort Donelson on the Cumberland. The bloodiest battle of the year was fought at Shiloh (Pittsburg Landing), where the Confederates under General Albert Sidney Johnston blocked the progress of Grant's invasion southward. On the second day of the battle (April 7) the southern army, having lost its commander, was forced to retire. A few weeks later (May 1) northern forces entered the city of New Orleans.

In the East the efforts to invade the South were fruitless. The northern army under General McClellan began the first of several attempts to capture Richmond. At Fair Oaks they were halted by the Confederates. On August 30, General Pope, who had succeeded McClellan in command of the army, was defeated at Manassas by southern forces under General Lee and General "Stonewall" Jackson. A few weeks later (September 17) the two armies fought an indecisive battle at Antietam Creek. On December 13, the Confederates repulsed at Fredericksburg the attacks of the northern army under the command of General Burnside.

**290. The War and Slavery.**—Up to this time, President Lincoln had successfully held out against the radical northern elements that demanded the abolition of slavery. In fact, he had on several occasions repudiated acts of northern commanders in freeing slaves as contrabands of war. Had the struggle been short and the victory decisive in favor of the North, it is likely that slavery in the states would not have been molested at the time. As the war dragged on, however, the President thought more and more of resorting to abolition as a military measure. Accordingly, in September, 1862, he issued his preliminary Emancipation Proclamation, which declared that on January 1, 1863, all slaves in states and regions in open revolt

The New-York Times

NEW-YORK, TUESDAY, SEPTEMBER 23, 1888

# **HIGHLY IMPORTANT**

**A Proclamation by the President  
of the United States.**

**The War Still to be Prosecuted for the  
Restoration of the Union.**

## A DECADE OF EMANCIPATION

**All Slaves in States in Rebellion  
on the First of January  
Next to be Free.**

### The Gradual Abolition and Colonization Scheme Adhered to:

**Loyal Citizens to be Remunerated for Losses,  
Including Slaves.**

Washington, Monday, Sept. 22.  
By the President of the United States of America:

[illegible]

That on the first day of January, in the year of our Lord one thousand eight hundred and sixty-three, all persons held as slaves within any State, or any designated part of a State, the people whereof shall then be in rebellion against the United States shall be then, thenceforward, and forever, free; and the Executive Gov-

striking military units, Territory of the District of Columbia, from one of the ranks, shall be dismissed or, in any way impaired or hindered in his liberty, except for reasons such as influence against the law, unless the proven obtaining said negative shall first make each that the person to whom the letter or service of such negative is obliged to be done, in his best effort, has not had time to serve against the United States in the present rebellion, nor in any way given aid and comfort thereto, and no person engaged in the military or naval service of the United States shall, under any pretence whatever, assume to doubt on the validity of the status of any person to the service or later of any other person, or consider up any such person to the claimant, on pain of being dismissed from the service.

And I am hereby empowered and order all persons engaged in the military and naval service of the United States, to observe, obey and endure, within their respective spheres of service, the act and sections above recited.

And the Executive will in due time recommend final editions of the United States who shall have remained loyal thereto throughout the rebellion, shall (upon the restoration of the constitutional relation between the United States and their respective States and people, if the rebellion shall have been suppressed or destroyed,) be compensated for all losses by acts of the United States, including the loss of slaves.

In witness whereof, I have hereunto set my hand, and caused the seal of the United States to be affixed.

Done at the City of Washington, this Twenty-second day of September, in the year of our Lord one thousand eight hundred and sixty-two, and of the Independence of the United States the eighty-seventh.

ABRAHAM LINCOLN.

By the President,  
WILLIAM H. BROWN, Secretary of State.

### GENERAL NEWS FROM WASHINGTON

OUR SPECIAL WASHINGTON DISPATCHES.

Wilmington, Monday, Sept. 22.

**THE PRESIDENT'S PROCLAMATION.**

The great event of the day here is the proclamation of the President arriving the execution of the war measures of the last Congress, and providing freedom to the slaves in all States that permit in the rebellion against the Government. This act, so long expected, as long delayed, bids fair to stability at once the issues of the war, and immeasurably to array against each other the unconscionably loyal and the rebellious of all classes and grades. If the cause of the Union and free institutions is strongest, this act will show it, and the only question of its triumph will then be the power in the Government to execute the policy with courage and vigor.

THE NEWS FROM THE SOUTH.  
A special private dispatch, just received from Cincinnati, announces that Hesse is marching on Louisville, Ky., and that Gen. Hesse has ordered the women and children to leave the city. It is to be feared to have been concentrated, and to be several days behind. The dispatch closes:—"A General wanted for the West."

## THE LATEST WAR NEWS

### A Raid of Sheriff's Cavalry Across the Frontier at Williamsport.

**NO DAMAGE DONE**

### The Occupation of Maryland Heights by Our Forces.

## THE ARKELS CONTROLLING THEIR DESTINY

### No Further Collisions at Last Accounts

LATEST REPORTS FROM HEADQUARTERS

The firing heard last evening in the direction of Williamsport, known not to have been a shot of Brown's solid masonry. He crossed the Potomac on Friday night late Maryland, at that point, with his company, one regiment of Infantry, and numerous pieces of artillery. The fires came up to drive him back toward near the town late in the afternoon. The firing heard was principally from the west bank. During the night they continued into Virginia and the morning they had disappeared from the opposite shore. He can not hear.

The work of burying the dead is still continuing. They average about one thousand per day. Tomorrow will probably finish it.

The Maryland Heights were yesterday occupied by a Russian force.

The indications are that the robots are continuing their retreat into Virginia, leaving the line of the Potomac.

Dinner was held at headquarters this evening, being Wagon, of Minnesota, officiating.

MANAGERS, ARMY OF THE POTOMAC,  
WASHINGTON, D. C.

The following is the official report of loss to General's corps of the battle of the Aegadian:

GEN. RICHARDSON'S DIVISION.	
Killed.....	31
Wounded.....	2
Missing.....	2
GEN. DUDSWICK'S DIVISION.	
Killed.....	31
Wounded.....	2
Missing.....	2
GEN. FRECHET'S DIVISION.	

Killed.....	50
Wounded.....	1,300
Missing.....	1,000

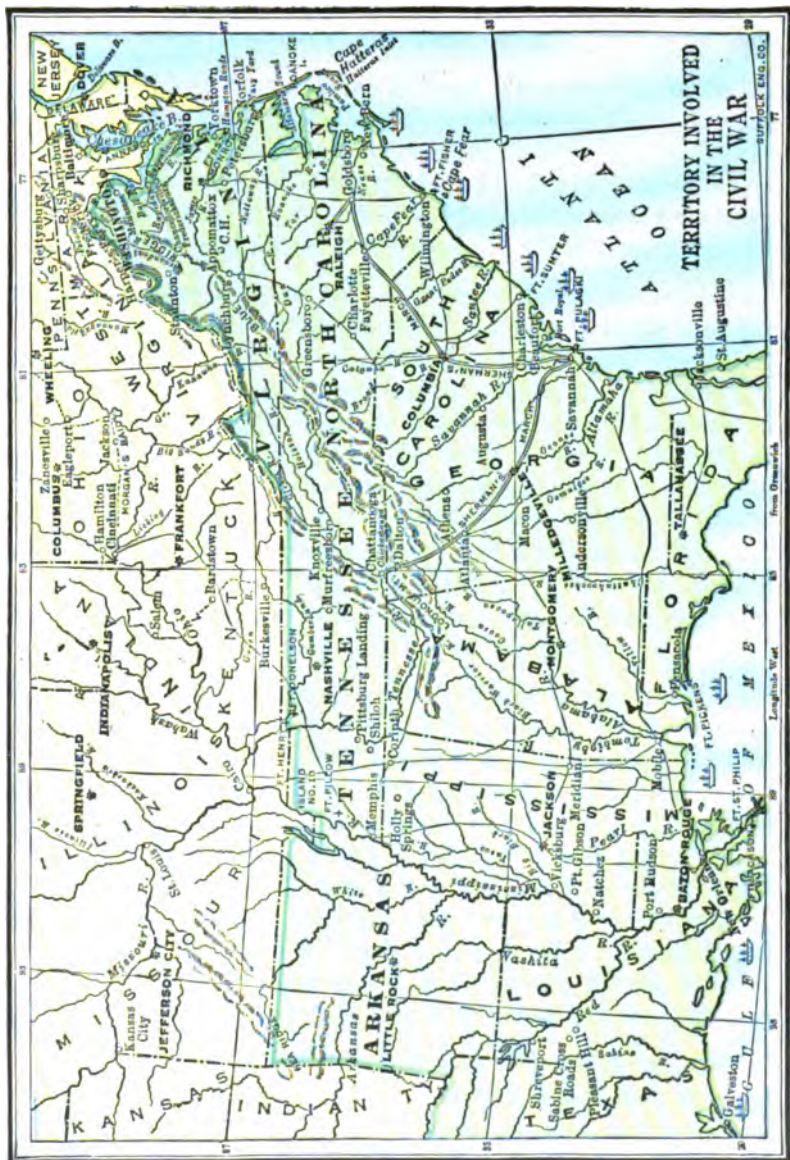
Total loss to Gen. Sherman's Corps. = .... 2,800

The loss in mules may be somewhat reduced by stronger reinforcements.

A train of mules returned the Montgomery Hill yesterday. The road is now open to Harpers' Ferry, where there is a sufficient Federal force to all intents.

The rebels, in their hasty retreat from Maryland left between 1,100 and 1,300 wounded upon our lines.

Twenty-six stands of solers were taken during the battle of the Angerion, and have been received in the town. Seven more are known to have been taken.





against the United States should be free. Thus the war, which had been undertaken by the North in 1861 to preserve the Union, was now more or less a war for freeing the slaves.

Many have regarded President Lincoln's Emancipation Proclamation as a stroke of genius, because by changing the issue from union to slavery he secured for the North the good will of Great Britain.

**291. Isolation of the South.**— The year 1862 saw the South make a supreme but futile effort to break the strangle grip of the blockade. To that end southern naval authorities transformed the frigate *Merrimac* into an iron-clad ram and renamed it the *Virginia*. At first the *Merrimac*, as it is usually called, had little difficulty in destroying the wooden vessels of the northern navy. Its brilliant career, however, was cut short on March 9, 1862, when the *Monitor*, another iron fighting vessel, defeated it decisively in Hampton Roads.<sup>1</sup> From that time on, despite the bravery and patriotism of its people, the cause of the South appeared doomed. The North with its overwhelming advantages in resources and men, and with its control of American waters was not to be denied the victory.

**292. Northern Successes.**— The third year of the war was the turning point in the struggle. In July, 1863, the North won two important engagements. After a long siege Grant captured Vicksburg (July 4), and a little later with the assistance of northern gunboats, he opened the Mississippi River to navigation. In the East, General Lee invaded the North, crossing Maryland into Pennsylvania. At Gettysburg the two armies engaged in a terrible three days' battle (July 1-3). Lee led his shattered forces southward fully convinced that the success of the South lay in defensive warfare and not in carrying battle to the enemy. Later in the year the northern army won victories at Lookout Mountain and Missionary Ridge.

**293. The End of the War.**— Beginning with the spring of 1864, warfare took on a different aspect. Hitherto, it had been chiefly a

<sup>1</sup> In so far as the actual fighting was concerned, the battle was a draw. The *Merrimac*, however, withdrew, and failed to renew the conflict on the following day; hence the victory was really decisive for the North.

contest between armies. Now it was to be a wearing-out process in which food, clothing, and equipment would play a more prominent

part. Grant, who was now Commander-in-Chief of all the northern armies, took personal charge in the East, leaving Sherman in command of the western troops. Grant planned not so much to gain victories in open battles as to crush the southern armies by the slow process of starvation and capture. Accordingly, he led his forces against Richmond, leaving to Sherman the task of cutting off the supply of food from the rear.



General Ulysses S. Grant  
Born 1822. Died 1885

Throughout the summer and fall of 1864, Grant kept "pegging away" in an effort to take Richmond. Time and again, Lee's army beat him in battle, but just as often he called for more men and supplies. Many in the North saw only the defeats. They clamored for a change in commanders. President Lincoln, realizing that he had found the right man for the place, supported Grant in his policy of literally crushing Lee's army.



General Robert E. Lee  
Born 1807. Died 1870



Surrender of Lee



In the West, the northern armies won important victories. Sherman captured Atlanta in September and began to prepare for his "march to the sea," the most spectacular event of the whole war, and perhaps the most disheartening one to the Confederacy. By the middle of December he had crossed Georgia on a line thirty miles wide and captured Savannah, thereby cutting off the food supplies of the Lower South from the Confederate armies. In the meantime (December 15) General Thomas, who had been left in command of the northern forces remaining in the West, defeated and scattered at Nashville a Confederate army led by General Hood.

The beginning of the year 1865 saw the two northern armies ready to close in on Lee's forces. Grant advanced on Richmond, while Sherman marched northward through South Carolina "ruthlessly destroying and burning as he went."<sup>1</sup> Half starved, ragged, and with its ranks decimated by disease and death, the southern army was unable to withstand its enemies. Accordingly, on April 9, 1865, Lee surrendered to Grant at Appomattox Court House. The victor granted the men of the defeated army the most honorable terms, allowing them to go home on parole, taking their horses for the spring-plowing and farm work. Later in the month (April 26) General Johnston surrendered to Sherman and the war was at an end.

### ORAL AND WRITTEN EXERCISES

1. Locate Fort Henry, Fort Donelson, Bull Run, Shiloh, Vicksburg, Gettysburg, Antietam, Chancellorsville, Lookout Mountain, Atlanta, Savannah, Richmond.

- 
2. What were the greenbacks? Why so called?
  3. How did the depreciation of greenbacks affect prices? Wages?
  4. What was the relation between depreciation of greenbacks and military operations?
  5. Why was one issue of bonds known as 10-40's?
  6. Does the government pay as high interest rate now as it did in 1863? Why?
  7. What were the War Tariffs?

<sup>1</sup>See Wilson's *Division and Reunion* (Epochs of American History, vol. III), p. 235.

8. What was the relation between tariff rates and internal tax rates?
  9. Why did Congress establish the National Bank System?
  10. Did the Confederacy get a large revenue from tariffs? Why?
  11. Why does not the United States impose export duties?
  12. What was the success of the Confederacy in issuing paper money?
  13. Why was the Confederacy unable to float large loans abroad?
  14. What is meant by standardization in manufactures?
  15. How did the war affect the use of machinery?
  16. Why was the South unable to build railroads?
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17. Suggested topics for oral or written report:

Effects of the War on Industry.  
Northern Finances during the War.  
Southern Finances during the War.  
Decline of the Merchant Marine.

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18. Important dates:

1861 — Beginning of the Civil War.  
1862 — First issue of greenbacks.  
1863 — Establishment of the National Bank System.  
1864 — Grant in command of the northern armies.  
1865 — Close of the War.

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**PART III**  
**INDUSTRIAL EXPANSION AND CONSOLIDATION**  
1865-1917

**CHAPTER XX**  
**POLITICAL RECONSTRUCTION AND INDUSTRIAL**  
**READJUSTMENT**  
1865-1880

**I. RECONSTRUCTION**

294. *After the War.*—The surrender of the Confederate armies in April, 1865, brought the war to a close, raising, however, some of the most difficult industrial, social, and political problems the country has ever been called on to solve. First of all, what relation would the states of the late Confederacy bear to the United States? Were they in the Union or out of it? If out, what procedure was necessary to gain readmission? In answering these two important questions much of the time and energies of the government was spent during the next ten years. A second problem involved the relation of the armies to the government and to the industry of the country. Would the northern soldiers peacefully return to their homes; and if they did, could industry absorb their labor? Some Europeans and a few Americans answered, No, predicting that the victorious soldiers of Grant and Sherman would set up a military dictatorship, or, failing in that, would become beggars. The readjustment of the southern soldiers to after-the-war conditions presented quite a different problem. Could the planters operate their plantations without slaves? Who would finance them for the next few years? How would the small farmers regard the competition of the freedmen? A third problem concerned the late slaves. What would be their social and political status in the community where they lived? How difficult

NEW-YORK DAILY TRIBUNE, SATURDAY, APRIL 15, 1865.

## HIGHLY IMPORTANT!

## The President Shot!

## Secretary Seward Attacked.

FIRST DISPATCH.

Washington, Friday, April 14, 1865.

The President was shot in a theater to-night, and perhaps mortally wounded.

To Enquire Our Washington agent called the dispatch about the President "stopped." Nothing is said about the truth or falsity of the dispatch.

SECOND DISPATCH.

Special Dispatch to The N. Y. Tribune.

The President was just shot at Ford's Theater. The ball entered his neck. It is not known whether the wound is mortal. Instant dispatch.

THIRD DISPATCH.

Special Dispatch to The N. Y. Tribune.

The President expired at a quarter to twelve.

FOURTH DISPATCH.

Washington, April 15—12:30 a. m.

The President was shot in a theater to-night, and is perhaps mortally wounded.

The President is not expected to live through the night. He was shot at a theater.

Secretary Seward was also attacked. He was shot in the neck.

FIFTH DISPATCH.

Special Dispatch to The N. Y. Tribune.

A shot of leaden shot of shot fired upon the President.

The President was shot while sitting in his box at Ford's Theater. The shot was fired from the balcony.

A gentleman who was present then describes the event. At about 10 o'clock, the President was seated in his box, and at the same time a man stepped upon the stage from the box occupied by the President.

The President was shot while sitting in his box at Ford's Theater. The shot was fired from the balcony.

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SIXTH DISPATCH.

Special Dispatch to The N. Y. Tribune.

The President attended Ford's Theater to-night.

The President was shot in a theater to-night, and is perhaps mortally wounded.

The President was shot in a theater to-night, and is perhaps mortally wounded.

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would it be for them to adjust themselves industrially to conditions of freedom? A fourth problem had to do with the industry of the country. Would it be able, without serious losses, to meet the conditions of peace by increasing production in some directions and by decreasing it in others? Could the great strides in manufactures, agriculture, and shipping made during the war continue in times of peace? Other questions doubtless were raised, but answers to the foregoing involve the more important historical events of the fifteen years following the close of the war in 1865.

**295. First Attempts at Reconstruction.**—Five days after Lee's surrender, President Lincoln was shot by an assassin. He died the next day (April 15, 1865). During the last year of his life he had given careful thought to the subject of reorganizing the seceding states at the close of the war. He had recognized new governments in Virginia, Tennessee, Louisiana, and Arkansas, and it is probable that had he lived the reconstruction of the other seven states would have been accomplished without great difficulty.<sup>1</sup> Andrew Johnson, his successor, held similar views regarding reconstruction, but, lacking the political shrewdness and sound judgment of Lincoln, he failed signally, as we shall see, to carry out the policies of his late chief. President Johnson believed that the seceding states had never been legally out of the Union, though they themselves had so declared in 1861, and had for four years been in open revolt. Throughout the summer and fall of 1865 he encouraged the states of the late Confederacy to organize their respective state governments and to take steps for resuming their old relations to the Union. All of the states except Texas followed the advice of the President. In the meantime, the Thirteenth Amendment had been submitted to the states, both north and south,

<sup>1</sup> In December, 1863, Lincoln offered amnesty, with a few exceptions, and restoration of all property except slaves to those who would take the oath to support the Constitution of the United States, the union of the states, the laws of Congress, and the proclamations of the President. He declared that when one-tenth of the voters in 1860 of any state attempting secession should have taken the oath and set up a republican government under the Constitution, the Executive would recognize that government, but that Congress would have to pass on the question of admitting representatives to seats in the two Houses.

for their consideration, the votes of twenty-seven being necessary for its adoption. Eight of the seceding states ratified the Amendment.<sup>1</sup>

**296. Congressional Reconstruction.**— Thus far, it will be noticed, the President had not consulted Congress regarding reconstruction. That body, when it assembled in December, 1865, had a grievance against the states already reconstructed as well as a plan of its own



Andrew Johnson  
Born 1805. Died 1875

for reconstructing them. The basis of the grievance was, that several of the southern states, though they had ratified the Thirteenth Amendment, still held the late slaves, now freedmen, in "involuntary servitude," by restraining their freedom of contract and movement. It is true that southern legislatures, notably those of South Carolina and Mississippi, had passed laws by which the negroes were punished for refusing to work for current rates of wages, were required to have permits from local authorities in order to work about the towns and cities, and their children were bound out as

apprentices. These stringent regulations, southern lawmakers said, were necessary to prevent the negroes from becoming vagrants, and hence charges on the public treasuries and a menace to society.

<sup>1</sup> South Carolina, North Carolina, Alabama, and Georgia together with the four states reconstructed by Lincoln — Virginia, Tennessee, Arkansas, and Louisiana — added to the ratifying states of the North made the necessary three-fourths; hence on December 18, 1865, the Secretary of State declared the Thirteenth Amendment a "part of the Constitution of the United States." Later, when these southern states were thrown out of the Union, their vote on the Thirteenth Amendment was allowed to stand.

Whatever justification the South had for singling out the negro as an object of special legislation, Congress was in no mood to accept it. A majority of that body was of the opinion that the southern states by making war had forfeited their privileges and rights under the Constitution, and that Congress alone had the power and authority to restore them. Accordingly both Houses joined in a resolution (February 20, 1866), declaring that no senator or representative from any seceding state should be seated until Congress had declared that state fully reconstructed and entitled to readmission into the Union. By this action the states of the late Confederacy were barred from taking part in national legislation, though they had complied with the requirements laid down by President Johnson.

Congress was now prepared to go forward in its plan of reconstruction. In April, 1866, that body passed over the President's veto the Civil Rights Bill, which declared all persons born in the United States and not subject to any foreign power to be citizens of the United States. Two months later (June, 1866) Congress submitted to the states the Fourteenth Amendment, making its ratification by the southern states a condition of reconstruction.

All this was but preliminary to the Reconstruction Act of March 2, 1867, which provided: (1) that the southern states should be divided into five military districts, each district to be under the command of a general of the army; (2) that each general was to provide for a constitutional convention in each state in his district; (3) that the delegates to each state convention should draw up a constitution and submit it to the qualified voters of that state for their consideration; (4) that any constitution so ratified should be forwarded to Congress for approval; (5) that each state, as soon as its constitution had been approved by Congress, and its legislature had ratified the Fourteenth Amendment, should be readmitted into the Union.

The next four years (1868-1871) saw the accomplishment of reconstruction in all of the seceding states. Northern adventurers (carpet-baggers<sup>1</sup>) combined with the negroes to bring it about, for

<sup>1</sup> Because the northern adventurers who went south to make their fortunes were said to carry their possessions in grips, or carpet-bags, they were called "carpet-baggers."



many of the leading southern men were disqualified from voting by their participation in the war. Unfortunately these carpet-bag governments did more than accomplish reconstruction. They involved the states in debt, gave little or no attention to the industrial progress of the South, and engendered a bitterness that lasted long after the war itself had been all but forgotten.<sup>1</sup>

**297. Impeachment of President Johnson.**—In carrying out reconstruction the relations between Congress and the President became so strained as to result in the impeachment of the latter in 1868. The Tenure of Office Act of 1867 had provided that the President might not remove even one of his cabinet without the consent of the Senate. Ignoring the act, the President in August, 1867, suspended Secretary of War Stanton from office. The deposed Secretary appealed for protection to the House, which in February, 1868, impeached the President "for high crimes and misdemeanors." After a bitter trial before the Senate, lasting for several weeks, the President was declared not guilty by a vote of thirty-five for conviction to nineteen for acquittal, the necessary two-thirds majority for conviction lacking one vote.<sup>2</sup> Johnson had alienated himself from the Republicans without gaining any considerable support of the Democrats. Accordingly, he was not seriously considered as a candidate for re-election in 1868. General Grant (Republican) was elected over Horatio Seymour (Democrat) of New York, by a large majority.

**298. Restoration of the Southern State Governments.**—The reconstruction of the southern states was by no means a restoration of their governments to ante-bellum conditions. The adoption of the Fifteenth Amendment (March 30, 1870) gave the negroes political

<sup>1</sup> A very conservative estimate in 1872 put the increase of indebtedness of the eleven states since reconstruction at \$131,717,777.81, part of which, however, was well secured. South Carolina and Louisiana were perhaps the most striking examples of the workings of reconstruction. From 1868 to 1873, \$200,000 were spent in the former states for furniture, only \$17,000 of which went to the state house. In the same state the public printing bill from 1868 to 1876 was \$1,326,589 whereas it had amounted to \$609,000 from 1790 to 1868.

<sup>2</sup> The seven Republican senators who voted for the acquittal of Johnson in spite of the tremendous pressure to the contrary were Fessenden, Fowler, Grimes, Henderson, Ross, Trumbull, and Van Winkle.

equality, which meant political supremacy in many sections of the South. For several years the national government attempted to enforce this equality, but usually only so long as authority was exerted in the form of a military force were its attempts effective. During President Grant's two administrations (1869-1877) this show of force was kept up; but President Hayes, soon after his inauguration in 1877, ordered the withdrawal of the last troops from the South.<sup>1</sup> The southern whites soon got control of the state and local governments by disqualifying negro voters in various ways; and they have remained in control up to the present time.

The opposition to military force in the south had taken one form in the Ku Klux Klan, an organization which seemed to have been organized chiefly to prevent negroes from voting. To that end its members held secret meetings, bound themselves together with blood-curdling oaths, and dressed in fantastical costumes when they went forth at night to warn negroes to keep away from the polls. The national government investigated the organization, which was extremely obnoxious in the North, but its efforts in that direction appear to have had little effect. The withdrawal of troops, however, left the Klan little to do, with the result that the organization declined in influence and finally dissolved.

**299. The War and Politics.**—A dozen or more years were required after the war was ended for politics and politicians to readjust themselves to conditions of peace. For obvious reasons the Republicans claimed to be the party of union, the repository, as it were, of

<sup>1</sup> Possibly the most famous of all our presidential elections was that of 1876. Early returns indicated that Tilden, Democrat, had a larger number of the popular votes than his rival, and 184 electoral votes, only one short of the necessary number. Nineteen votes from South Carolina, Florida, Louisiana, and Oregon were in doubt. Both candidates claimed them. Hayes, the Republican, needed all nineteen votes to win. One more vote would elect Tilden. Congress finally agreed to an Electoral Commission of fifteen. Under the provisions of the act, the House appointed two Democrats and three Republicans; the Senate, three Democrats and two Republicans. The four associate justices of the Supreme Court named in the act (two Democrats and two Republicans) chose an Independent, Judge Davis of Illinois, as a fifth member. The Democrats of Illinois, however, helped elect Judge Davis to the Senate; hence he refused to serve on the Electoral Commission. Joseph P. Bradley, who took his place, voted with the Republicans on every count and Hayes was declared elected by a vote of 185 to 184.

the country's loyalty and patriotism. They asked for the support of the voters on the ground that the political and industrial safety of the country would be endangered by Democratic success. Constantly the leaders coupled the terms Democrat and Rebel, thus "waving the bloody shirt." Little wonder is there then that there was need of "reconstruction" in *all* parts of the United States. Not only had the war engendered a sectional hatred; it had created habits of governmental extravagance, and had encouraged spoils politics. Consequently, it took years for the government to return to a basis of economy and merit. President Grant was unfortunate in his selection of advisors. During his administrations, unscrupulous politicians were too often in the saddle; spoilsmen divided the offices. In 1872 several of the most prominent members of Congress were charged with having been bribed to further the interests of the *Crédit Mobilier*, a company formed to construct the Union Pacific Railroad. Two were found guilty and the rest exonerated, yet the feeling was general that the accused had been loose in their dealings, to say the least.<sup>1</sup> At the same session of Congress (1872-3) the members voted themselves additional salaries. Such a condition was perhaps a product of the times. The war had demoralized the government as well as the people.

## II. INDUSTRIAL READJUSTMENT

**300. Growth and Spread of Population.**—In spite of the four years' war in which thousands of men were killed, or died of wounds or disease, there was a substantial increase in population during the decade 1860-1870. The next ten years saw a still larger increase.

<sup>1</sup> Oakes Ames, a member of the House of Representatives from Massachusetts, was the leading promoter of the *Crédit Mobilier*. In the session of 1867-1868 he distributed with great shrewdness among his associates in Congress big amounts of *Crédit Mobilier* stock at par. The dividends by the end of the year had amounted to something like 340 per cent. The Poland committee exposed these transactions and Ames of Massachusetts and James Brooks of New York were recommended for expulsion by the House, but that body contented itself with censure. A committee of the Senate recommended Patterson of New Hampshire for expulsion, but his term expired before action was taken. Vice-president Colfax and Wilson, his successor, were tainted by the affair. Even Garfield was called in question.

Census Year	Population
1860 . . . . .	31,443,321
1870 . . . . .	38,558,371
1880 . . . . .	50,155,783

Perhaps the four most important developments in this respect were: (1) the settlement of the Far West; (2) the growth of cities; (3) changes in the nationality of immigrants; and (4) the movement of negroes from the South into the northern states.

In 1880 the Census authorities announced the important fact that the frontier line had disappeared — that is, that it was possible no longer to trace a *continuous* line from the Canadian border southward through settled areas having a density of only *two* persons to the square mile. Many factors contributed to cause the disappearance of the frontier. One was the war. At its close, thousands of northern soldiers with their discharge money in their pockets were possessed not only of more funds than they ever before had had, but also of an increased ambition and of a roaming disposition. Consequently a great many went west to take up land. This the national government encouraged by allowing each man to subtract the term of his army service from the time ordinarily required to prove a claim under the Homestead Act. A second factor was the Act itself. During the war (1862), the land laws had been changed so as to make the public lands free to any one who would actually settle on a claim and live there for a term of years. A third factor was the trans-continental railroad. The construction of the Union Pacific-Central Pacific from Omaha to the Pacific coast (opened in 1869) was the first of a number of such lines. Each road opened to settlement vast areas of the Far West; and each actively urged settlers to locate along its route, either on public lands or on lands the government had donated to the road for its construction.

One result of the movement to take up the far-western lands is shown in the increased population of the states and territories in that region. During the twenty years from 1860 to 1880, the population of the country as a whole increased about 60 per cent. In the Far West the relative increase was much greater.

## POLITICAL RECONSTRUCTION

## INCREASE OF WESTERN POPULATION, 1860-1880

State or Territory	Population		Per Cent Increase
	1860	1880	
California . . . . .	379,994	864,694	127
Oregon . . . . .	52,465	174,768	233
Utah . . . . .	40,273	143,963	257
Colorado . . . . .	34,277	194,327	466
Washington . . . . .	11,594	75,116	552
Nevada . . . . .	6,857	62,266	808
Kansas . . . . .	107,206	996,096	829
Nebraska . . . . .	28,841	452,402	1,468

During the war, as we have seen, there was a decline in foreign immigration owing to various causes. After 1867, the number of immigrants increased until in the fiscal year 1872-3 (ending June 30, 1873) a high water mark of 459,803 was reached. The panic of that year caused another decline that lasted until 1881. Immigration, during this period, was characterized not by numbers but by a change in nationality, which has lasted down to the present day. Prior to the war, the foreign arrivals were largely from northwestern Europe — Great Britain, Ireland, France, and the German states — and each year saw their numbers increase. Few inhabitants of the United States at that time were natives of Russia, Austria, Italy, Greece, or Asia. Soon after the war, however, one can see a change set in. Immigration from the former group of countries began to decline, while immigration from the latter group began to grow.

## NATIONALITY OF IMMIGRANTS, 1860-1880

Decade	Austria-Hungary	COUNTRY OF BIRTH			German States
		Italy	Asia <sup>1</sup>	United Kingdom	
1850-1860 . . . . .		9,231	41,397	1,338,093	951,667
1860-1870 . . . . .	7,800	11,728	64,301	1,042,674	787,468
1870-1880 . . . . .	72,969	55,759	123,201	984,914	718,182

Several causes contributed to the growth of cities between 1865 and 1880: the increase in manufactures, the extension of railroad lines, the displacement of farm labor by agricultural machinery, the increase in foreign immigration, and the disappearance of the frontier line, all combined to cause the people to congregate in cities. As a result, the population of Chicago and Cleveland increased fourfold

<sup>1</sup> Prior to 1850 but 140 immigrants from Asia had entered the United States.

and that of St. Louis, Boston, and Brooklyn doubled. Minneapolis, St. Paul, Kansas City, Denver, and other western centers actually grew from raw frontier settlements to well-built cities in the short space of twenty years. Thus in 1860 the population of cities of 8000 and over made up 16.1 per cent of the total population; in 1870, 20.9 per cent; and in 1880, 22.6 per cent.<sup>1</sup>

Naturally, at the close of the war many former slaves removed to the northern states, though the absolute increase in that section was small compared to the increase in the South. More important than numbers, however, was the distribution of the negroes in the North. Most of them went to the cities — particularly to those cities located on north and south lines of railroad — where they could find employment in personal service. For that reason it became a saying in the North that the presence of negroes indicated prosperity.

**301. The Freedmen.**— The most difficult economic readjustment made necessary by the war concerned the late slaves. Without funds, skill, or education, more than four million negroes suddenly found themselves free. Under normal conditions the problem of readjustment would have been difficult of solution; as it was, it appeared for a time impossible. The South was prostrated industrially, and out of humor politically. The planters, who alone could employ the labor of the negroes, were impoverished. Moreover, they themselves found it necessary to adjust their methods of business to conditions of free labor. Many of them were strangers to the careful systems that characterized the business of northern merchants, farmers, and manufacturers. The wonder is that the readjustment progressed as rapidly as it did.

<sup>1</sup> The ten largest cities in 1880 were:

New York . . . . .	1,911,698	Boston . . . . .	362,839
Manhattan Borough . . . . .	1,164,673	St. Louis . . . . .	350,518
Bronx Borough . . . . .	51,980	Baltimore . . . . .	332,313
Brooklyn Borough . . . . .	599,495	Cincinnati . . . . .	255,139
Queens Borough . . . . .	56,559	Pittsburg . . . . .	235,071
Richmond Borough . . . . .	38,991	San Francisco . . . . .	233,959
Philadelphia . . . . .	847,170	New Orleans . . . . .	216,090
Chicago . . . . .	503,185		

No specific account would describe every change in the South, but in general we may say that the landowners either hired the negroes outright to work in the fields, or rented them small parcels of ground on shares. No other plan was possible. The negroes owned no land, and they had no funds for operating farms on their own responsibility. Accordingly, the planters at first kept their holdings intact. Many attempted to conduct their farming operations just about as they had conducted them before the war, the chief differences being in the relation between the owner and his farm hands. On some of the plantations the negroes continued to live in their cabins, looking to "marsa" for food and clothing. They scarcely realized the effect of the war on their social, political, and industrial standing. Other planters, unwilling to assume the responsibility of caring for their ex-slaves on such a basis, rented them parcels of land, making advances in food, seed, and live stock. The dependence of the negroes on the land owners characterized southern agriculture during the period; and even now, as we shall see later, negroes in the South are more likely to be tenants than owners of land.

**302. Development of Manufactures.**—The war was a great stimulus to manufactures. Its demand for supplies and equipment compelled the use of improved machinery, the adoption of standard sizes, and a more complex division of labor. Many prophesied that the end of the struggle would see the beginning of a decline in manufactures. Happily they were false prophets. Mills and factories, it is true, adapted their output to new conditions, but there was no decline in volume. Iron and steel mills made railroad iron instead of cannon; textile factories changed the color and texture of their cloth; boot and shoe manufactories continued to make foot-wear for the men who had been soldiers, but who were now employed in the shops and stores, and on the farms. The old hand methods had proved inferior not only under the stress of war, but also in times of peace. No one desired their return. Manufactures as we know them today had come to stay.

During the war and for fifteen years after its close there was a

marvelous development in American manufactures. Between 1860 and 1880 the value of output and the amount of capital increased almost twofold. During the same twenty years the increase in population was but 60 per cent.

## GROWTH OF MANUFACTURES, 1860-1880

Year	Value of Output	Capital Invested	Number of Employees
1860 . . . . .	\$1,885,861,676	\$1,009,855,715	1,311,246
1870 . . . . .	4,232,325,442	2,118,208,769	2,053,996
1880 . . . . .	5,369,579,191	2,790,272,606	2,732,595

The most notable growth in manufactures during this period was in the central states (Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, and Missouri). In that section we see the development of the slaughtering and milling industries, as well as a large growth in the manufacture of agricultural implements and of iron products. In 1850 these eight states had contributed one-seventh of the total value of the country's manufactures. Thirty years later (1880) their contribution was almost exactly two-sevenths. In 1860 the middle states had led in value of manufactures, with New England in second place. By 1870 the latter section had dropped to third place, having been displaced by the central group. The growth and development of manufactures spread even to the South, though that region produced but one-sixteenth of the country's total output in 1880, whereas in 1860 it had produced one-tenth.

The most significant increase in manufactures was in cotton and woolen goods, and in iron products. The country had enormous supplies of raw material for those industries, which gave American manufacturers an advantage over their European competitors. During the twenty years, 1860-1880, the output of pig iron increased 300 per cent; of iron and steel products, 200 per cent; of woolen goods, 200 per cent; and of cotton goods about 80 per cent.

**303. Changes in Agriculture.**—The two decades, 1860-1880, saw notable changes in American agriculture. The value of farm property and the number of farms doubled, while the size of the average farm decreased from 199.2 acres to 133.7 acres. More than 120,000,000 acres were added to the area of improved land, the value of all farm



## POLITICAL RECONSTRUCTION

property almost doubled, and the value of the annual crop showed a gratifying increase. Cereal production more than doubled, though the increase in population was but 60 per cent. The surplus was exported. American wheat in particular found its way into the world's markets.

PRODUCTION AND EXPORTATION OF WHEAT AND WHEAT FLOUR,  
1867, 1875, 1880

Year	Wheat Produced Bushels	Exports of Wheat and Wheat Flour ( $4\frac{1}{2}$ Bushels of Wheat Equal 1 Barrel of Flour)	
		Bushels	Per Cent of Product
1867 . . . . .	151,999,906	11,996,888	7.89
1875 . . . . .	309,102,700	72,912,817	23.60
1880 . . . . .	448,756,630	180,304,180	40.18

In sharp contrast to the increase in the production of food-stuffs, cotton growing recovered but slowly from the effects of the war. The readjustment of farming methods in the South to a system of free labor, the poverty of the planters, and the unsettled political situation arising from the difficulties of reconstruction, combined to lessen cotton production for many years. Thus the banner crop of 1859 was not again equaled until 1879, despite the high prices of raw cotton during the intervening years.<sup>1</sup>

As is to be expected, the most notable agricultural growth was in the West. Millions of acres of new land in that region were taken up, and the extension of railroads made its cultivation profitable. In the East, changes in the character of crops went on. Farmers

<sup>1</sup> The following table shows the production and price of cotton for certain designated years:

	Total Commercial Crop (In Thousands of Bales)	Retained for Home Consumption Per Cent	Price per Pound Cents*
1866 . . . . .	2,278	668	29
1868 . . . . .	2,509	968	37
1870 . . . . .	3,114	857	28
1872 . . . . .	2,974	1,097	37
1874 . . . . .	4,130	1,320	32
1876 . . . . .	4,632	1,354	29
1878 . . . . .	4,774	1,406	31
1880 . . . . .	5,761	1,795	31

\*Prices for middling cotton in New York market.

unable to compete with the western lands in producing cereals turned their attention more and more to gardening and to dairying.

**304. Railroad Development and Regulation.**—At the close of the war the total length of the railroads in the United States was about thirty-five thousand miles. During the next seven years, the mileage more than doubled. This was a period of railroad expansion. The completion of the Union Pacific-Central Pacific line in 1869 stimulated the building and extension of other lines into the Far West. In fact, more than half of the increase in railroad mileage between 1865 and 1873 was west of the Mississippi and Missouri rivers. The panic of 1873, which began with the failure of the banking firm of Jay Cooke & Co., and rapidly extended to all sections of the country, slackened railroad construction so that during the next seven years only about sixteen thousand miles were added. In 1880, however, another building boom set in which resulted in giving the United States a railroad mileage equal to the total mileage of all the countries of Europe.

As the number and miles of railroads increased, there grew up the practice of granting special rates to favored shippers and to favored localities. As a result, some concerns, notably the Standard Oil Company, prospered at the expense of their competitors; some cities grew rapidly in wealth and population, while others could scarcely hold their own. Such discriminations met the opposition of the people, particularly the farming classes. As a result there began about 1870 what is generally known as the "Granger Movement," which had for its end the regulation of railroads by the government for the good of all the people. So strong was the movement that scarcely a section of the country escaped its influence. State legislatures very generally set maximum freight and passenger rates, provided fines for discrimination among shippers, and, in some states, established boards, or commissions, to see that the railroads obeyed the laws. Such legislation was too often futile, as we shall see in a later chapter.

**305. Foreign Commerce.**—The value of the foreign commerce of the United States increased during this period (1865-1880) more than

100 per cent, or from \$604,412,996 at the beginning of the period to \$1,503,593,404 at its close. The principal items of export — wheat, flour, corn, cotton, and meat products — made up about 85 per cent of our sales abroad. Approximately four-fifths went to Europe. Of the imports, manufactured goods made up almost one-half, the greater part of which came from Great Britain. Imports from South America, comprising about one-tenth of the whole, consisted chiefly of coffee and crude rubber. New York continued to be the chief center of the foreign trade; two-thirds of all the imports and almost one-half of the exports passed through that port in 1880. Other important foreign trade districts ranked as follows: Boston, New Orleans, Baltimore, Philadelphia, and San Francisco. This period saw two developments in foreign commerce, which have since become of prime importance. One related to the balance of trade, the other to land transportation into Canada and Mexico. During the past century the imports of the country had exceeded the exports by hundreds of millions of dollars. Since 1880, however, there has been scarcely a year in which the exports have not been greater than the imports. The building of railroad lines across the Mexican and Canadian borders — so-called international railroads — started a foreign overland trade which has since become extremely important.

In spite of the increase of foreign trade the American merchant marine declined at a rapid rate relatively and even absolutely. In 1860, for instance, American vessels carried 63 per cent of the country's imports and 70 per cent of the exports. Twenty years later the corresponding per cents were 23 and 13. In the former year the total tonnage of American vessels entering and clearing in the foreign trade was 12,000,000; in 1880 it was less than 7,000,000. The reasons for the decline were: (1) the high cost of American-built vessels coupled with the refusal of the United States government to allow foreign-built ships to sail under the American flag; (2) the refusal of the government to pay subsidies to ship owners; and (3) the larger return afforded capital in manufactures and inland transportation.

**306. Lake and River Trade.**— Development in lake trade and in river trade differed radically. The former held its own with the rail-

roads, while the latter declined until it became relatively unimportant. Lake tonnage increased from 467,774 in 1860 to 684,704 in 1870, and to 711,269 in 1882. The same twenty years saw the tonnage of vessels "passing through the Sault Ste. Marie Canal" grow from 403,657 to 1,734,890. Reasons for the survival and growth of the lake trade are not difficult to discover: heavy freight, such as ore and lumber, could be carried more profitably by water than by rail; likewise the cheapest rate on wheat from Chicago to New York was by the all-water route.

FREIGHT RATES, WHEAT, CHICAGO TO NEW YORK

Year	Lake and Canal (Per Bushel)	Lake and Rail (Per Bushel)	All Rail (Per Bushel)
1866 . . . . .	29.61 cents	.....	46.1 cents
1875 . . . . .	11.43 cents	14.6 cents	24.1 cents
1880 . . . . .	12.27 cents	15.7 cents	19.9 cents

The decline of the river trade, which really began in this period, was caused largely by the extension of railroads. In 1880, for example, the railroads entering St. Louis hauled more than seven-eighths of all the freight brought into the city. Likewise, Pittsburgh, Cincinnati, Louisville, Evansville, and Cairo, and to a less extent New Orleans, depended more and more on railroads, and less on steamboats as carriers of freight.

**307. Monetary Changes.**—During the fifteen years under consideration several important monetary changes took place. In 1873 the government *demonetized* the standard silver dollar; six years later plans were completed for redeeming the greenbacks. The "crime of '73," as the demonetization act is often called, was nothing more or less than the omission from the coinage laws of any reference to the standard silver dollar. The government had practically ceased to make such coins for the simple reason that no one cared to bring silver bullion to the mint when the amount required for a dollar (412.5 grains nine-tenths fine) was worth more than a dollar. In other words, the standard silver dollar was worth more as a commodity than a coin; its metal was more valuable than the metal in a gold dollar. Consequently no standard silver dollars circulated, for holders, by melting them down, could exchange them for more than the original dollars would buy.

Soon after the act was passed, however, the market value of silver declined until it became profitable to carry silver bullion to the mint for coinage. Then the mine owners of the Far West desired the government to coin their silver. This, of course, the mint officials could not do under the coinage law of 1873. Hence there arose, particularly in the western states, a demand for the *remonetization* of the standard silver dollar. The matter was debated in and out of Congress, the friends of remonetization arguing that the country needed more money, and that silver would supply that need. Congress compromised the issues in 1878 in the Bland-Allison Silver Purchase Act, which directed the secretary of the treasury to purchase from two to four million dollars worth of silver each month, to be coined into standard silver dollars of 412.5 grains each. Provision was also made whereby the holders of silver dollars might exchange them at the treasury for silver certificates. Twelve years later the law was modified by the Sherman Silver Purchase Act, which in turn was repealed in 1893.

In the midst of the "free silver" agitation the government made provision for redeeming the greenbacks. Since the beginning of the year 1862, when the government suspended specie payments, the business of the country had been conducted on a paper money basis. With the close of the war an agitation arose to retire the greenbacks and to return to a "hard money" basis. Accordingly, in 1866 Congress provided for the gradual retirement of the greenbacks. Two years later, opposition to the plan compelled its abandonment. Then Congress devised a scheme for their redemption. The Specie Resumption Act of 1875 provided that the secretary of the treasury should "on and after January 1, 1879, redeem in coin the United States legal-tender notes [greenbacks] then outstanding on their presentation for redemption . . . in sums of not less than fifty dollars."

John Sherman of Ohio, who became secretary of the treasury in Hayes' cabinet in 1877, prepared for resumption. He collected more than a hundred million dollars in gold. As January 1, 1879, approached, the premium on gold fell, until it entirely disappeared. Few people presented greenbacks for redemption, however, being content to know that they might exchange them for gold if they so desired.

## ORAL AND WRITTEN EXERCISES

1. Point out on map the states to be reconstructed.
- 

2. What was President Lincoln's plan of reconstruction?
  3. Why did President Johnson fail in his plan of reconstruction?
  4. Was there any basis for the charge that some of the southern states had violated the Thirteenth Amendment?
  5. What was the Civil Rights Bill? What was the relation between this bill and the Fourteenth Amendment?
  6. Who were the carpet-baggers?
  7. Why was President Johnson impeached?
  8. What was the Fifteenth Amendment?
  9. What was the *Crédit Mobilier*?
  10. What was the frontier line?
  11. What caused the discharged northern soldiers to migrate to the Far West?
  12. How did the completion of the Union Pacific-Central Pacific Railroad in 1869 affect railroad building in the Far West?
  13. What was the character of immigration after the war?
  14. Why was there a rapid growth in city population about 1880?
  15. How did the war affect southern planters?
  16. Why did not the freedmen at once become independent farmers?
  17. What changes occurred in agriculture about 1880?
  18. What abuses arose in railroad administration?
  19. What was the "Granger Movement"?
  20. How did the balance of trade change about 1880?
  21. Why did river trade decline while lake trade grew rapidly?
  22. What was the "crime of '73"?
  23. What provision was made for redeeming the greenbacks?
- 

24. Suggested topics for oral or written reports:
- Reconstruction of the Southern States.
  - Industrial Problem at the End of the War.
- 

25. Important dates:

- 1865 — Adoption of the Thirteenth Amendment.
- 1868 — Impeachment of President Johnson.
- 1869 — Opening of the Union Pacific-Central Pacific Railroad.
- 1871 — Last southern state reconstructed.
- 1873 — Demonetization of the standard silver dollar.
- 1877 — Withdrawal of troops from southern states.
- 1879 — Resumption of specie payments.

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CHAPTER XXI  
POPULATION AND LABOR  
1880-1917

I. GROWTH, CHARACTER, AND DISTRIBUTION OF  
POPULATION

**308. Growth in Population, 1790-1917.**— The growth in population of the United States since the First Census in 1790 may well be reviewed at this point. During this period the country more than trebled its area, and became one of the most populous nations, being excelled in this respect only by China, the British Empire, and Russia.

INCREASE IN POPULATION, 1880-1917

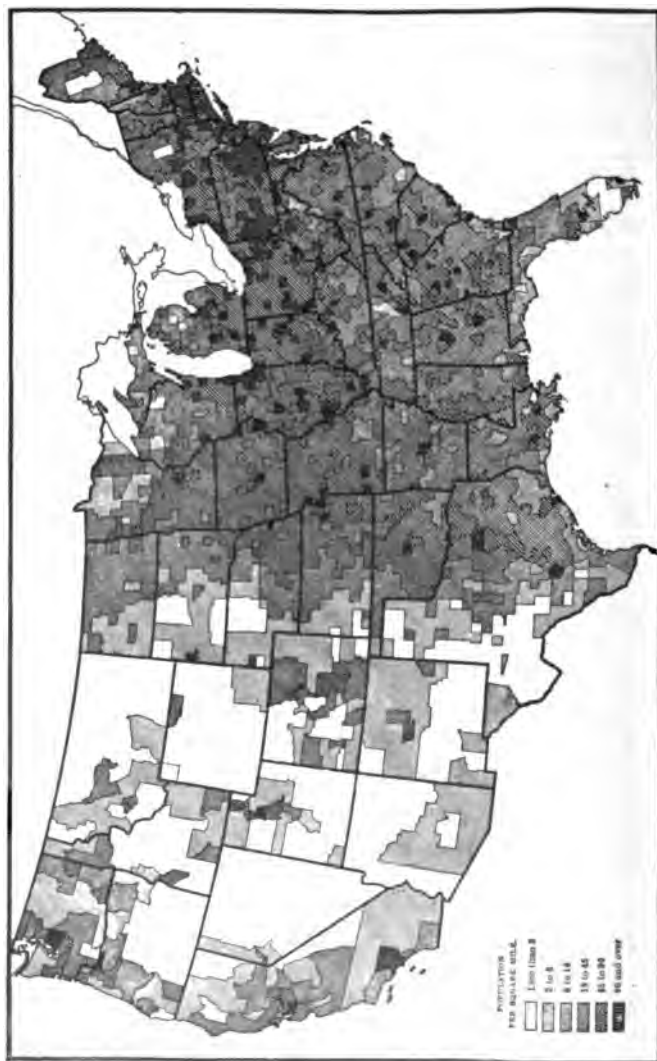
Year	Population (Exclusive of Outlying Possessions)	Increase Number	Per Cent
1880 . . . . .	50,155,783	10,337,334	26.0
1890 . . . . .	62,947,714	12,791,931	25.5
1900 . . . . .	75,994,575	13,046,861	20.7
1910 . . . . .	91,972,266	15,977,691	21.0
1917 . . . . . (estimated)	103,716,000	11,743,734	12.8

From the foregoing table, it will be seen that the annual increase has been considerably more than a million, exceeding the combined population of two such cities as St. Louis and Baltimore.

During the past few years the greatest growth in population has been in the regions already heavily populated; hence few changes have occurred in the relative rank of the states. New York continues to lead in number of inhabitants, followed in order by Pennsylvania, Illinois, Ohio, Texas, and Massachusetts. These six states contain at the present time more than a third of the country's total population. As is to be expected, the largest *percentage* of growth has been in the West. During the decade 1900-1910 the population of Washington increased 120 per cent; of Oklahoma, 110 per cent; of

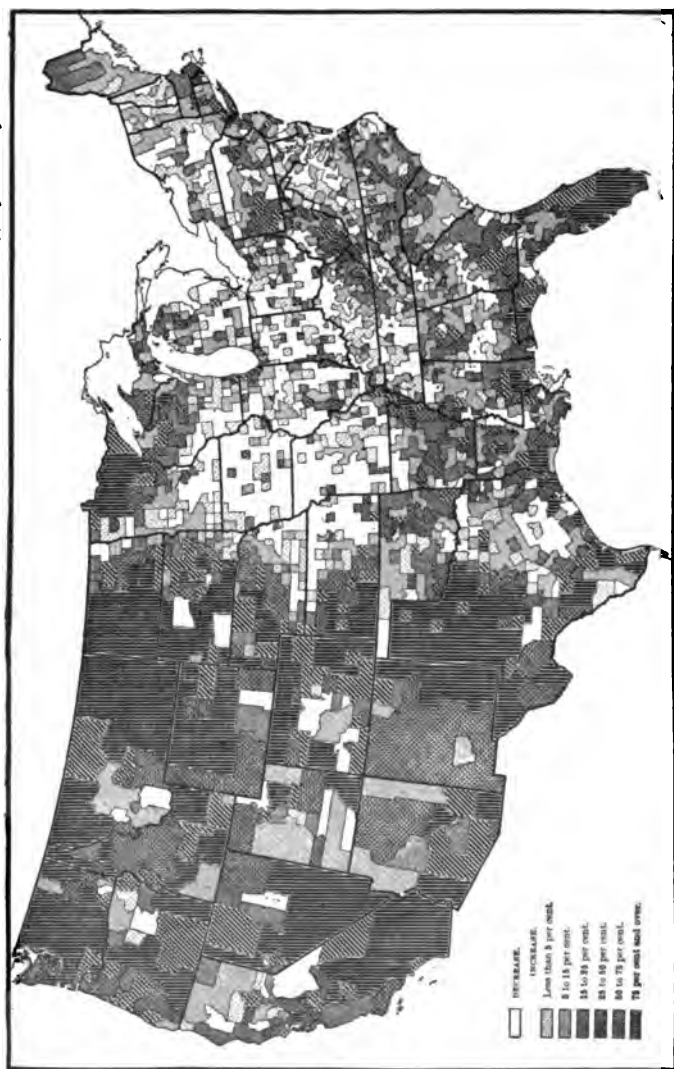


POPULATION PER SQUARE MILE (by Counties), 1910



This map shows the great differences in the densities of population among the various sections of the United States. Note the location of the most densely populated areas and try to account for them.

PERCENTAGE OF INCREASE IN TOTAL POPULATION (by Counties), 1900 to 1910



Contrary to what a great many people expected, the population of a great number of small sections of the United States actually decreased between 1900 and 1910. In the above map these sections are uncolored. Note that the largest percentage of growth was in the West, though it must be remembered that the greatest *absolute* growth was in the East.

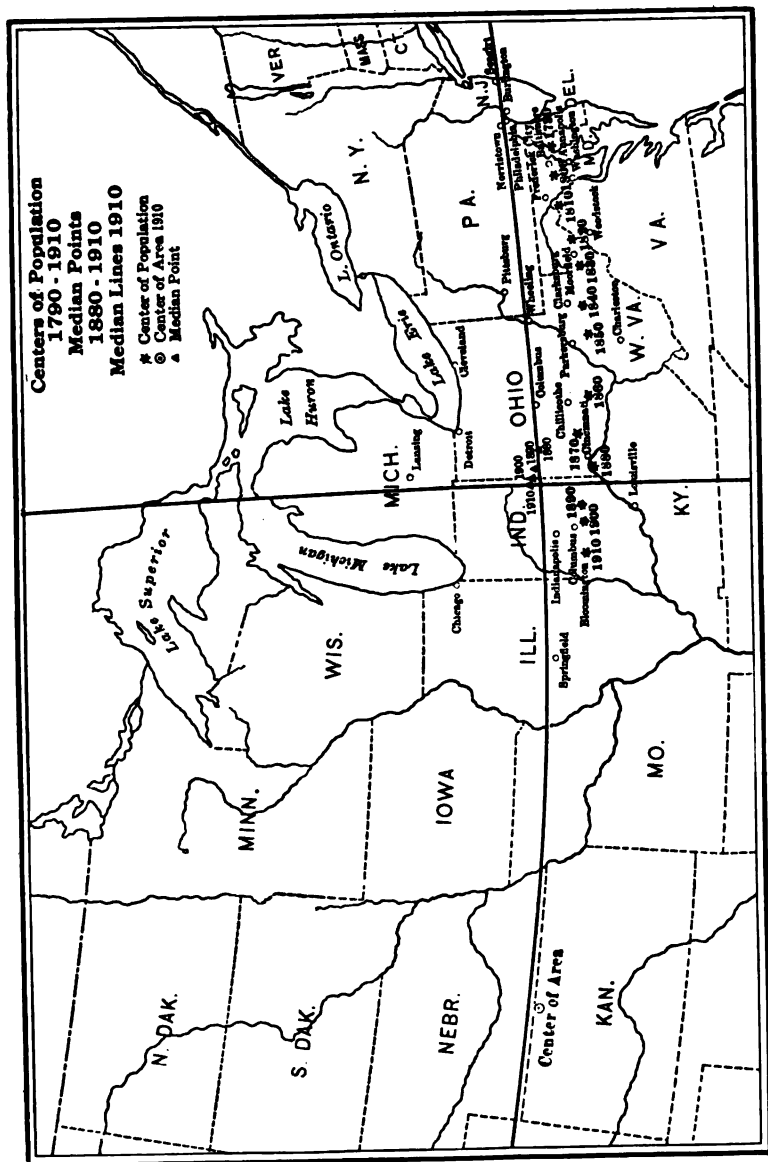
Idaho, 101 per cent; and of Nevada, 93 per cent. Since 1890 only two states have suffered a decline in population: Nevada during the decade, 1890-1900; Iowa during the following decade.

**309. Distribution of Population.**—At the outbreak of the Civil War, the slave-holding states contained about two-fifths of the country's population, the rest being almost entirely in the New England, Middle Atlantic, and Central sections. Furthermore, a large majority of the people was engaged in agriculture. Since the war, the distribution of the population has undergone important changes. The center of population has shifted westward, while city population has increased much more rapidly than rural population.

In 1860, as was noted in a previous connection, the center of population was in southern Ohio, near Chillicothe. Twenty years later it had crossed the Ohio River into Kentucky. During the next three decades this center continued to move westward until, in 1910, it was in the city of Bloomington, Indiana. In passing, however, it ought to be noted that the center of population is not the point that divides the people equally north and south, or east and west. Rather is it the point where the country, if flattened out, would balance, provided the weights of the inhabitants were uniform. Thus an immigrant arriving at San Francisco would, at the present time, have more influence on the center of population than an immigrant arriving at Boston. Likewise the removal of a person from Seattle to St. Louis would tend to move the center of population eastward.<sup>1</sup> The *median* of population, on the other hand, which is often mistaken for the *center* of population, is the point where the parallel dividing the people into equal groups north and south intersects the meridian dividing them into equal groups east and west. The geographical center, or center of area, of the United States is in the northern part of Kansas.

**310. Urban and Rural Population.**—The most important movement of the population during the past thirty years has been toward

<sup>1</sup> The rapid settlement of the West, therefore, had a marked influence on the center of population. The organization of states from 1880 to 1912 was as follows: North Dakota, 1889; South Dakota, 1889; Washington, 1889; Idaho, 1890; Wyoming, 1890; Utah, 1894; Oklahoma, 1907; New Mexico, 1910; Arizona, 1910.



the cities. There has been an increased demand for foodstuffs, but improvements in farm machinery and in methods of cultivation have made it possible to supply this demand without a corresponding increase in the number of farm laborers. Moreover, the rapid growth of manufactures and railroads has furnished employment to millions, who, if they had lived before the war, would have been compelled to till the soil. In 1860 about one-sixth of all the people resided in 141 cities and towns, each of which had 8000 inhabitants or more. Year by year the movement of the population "cityward" went on at an increasing rate, until by 1900, practically a third of the people were city dwellers. Ten years later, the ratio was almost two-fifths. If all towns and cities of 2500 inhabitants or more are classed as urban communities, the rural population at the present time is scarcely more than a half of the total population.<sup>1</sup> The urban population is relatively greater in the manufacturing centers of the East, and smallest in the South and in the newer settled sections of the West. In each of the six states, New Hampshire, Vermont, Ohio, Indiana, Iowa and Missouri, the rural population actually decreased during the decade 1900-1910.

This movement of the people to the cities has created alarm in the minds of many who have attempted to counteract it by a "back-to-the-farm" movement. They see in it grave dangers. No doubt such city-problems as housing, sanitation, and government are made more difficult of solution by this movement. In New York city alone the increase in population between 1900 and 1910 was almost one and a half million, a number more than sufficient to populate any other American city except Chicago and Philadelphia.<sup>2</sup> In Chicago, for

<sup>1</sup> In 1910, 46.3 per cent of the people of the United States lived in cities and other incorporated places of 2,500 inhabitants or more, including New England towns of that size.

<sup>2</sup> The population of the boroughs of New York City from 1890 to 1910 was as follows:

	1890	1900	1910
Manhattan . . . . .	1,441,216	1,850,093	2,331,542
Bronx . . . . .	88,908	200,507	430,980
Brooklyn . . . . .	838,547	1,166,582	1,634,351
Queens . . . . .	87,050	152,999	284,040
Richmond . . . . .	51,693	67,021	85,060
Total . . . . .	2,507,414	3,437,202	4,766,882



European Sources of Immigration to United States in 1900  
Each dot represents 250 immigrants. The cities starred are collecting centers.

example, the annual increase in the number of school children to be provided for is greater perhaps than the total number of school children in any other Illinois city. It is little wonder, then, that the rapidly growing American city is often troubled with mismanagement and graft!

The same movement accounts in part, many believe, for the "high cost of living." Hence it is argued that the prices of foodstuffs will be reduced only when millions of city folk have returned to the land.

**311. Elements of Population.**—The United States differs from all other nations in that its population is made up of many different peoples. For that reason the question is often asked: Who is an American? The English, the Irish, the German, the French, in fact all nationalities, have had a share in developing the United States. The descendants of German immigrants of a century ago differ not at all from the descendants of early English immigrants. One is as much an American as the other, despite the fact that English laws, language, manners, and customs have come generally to prevail in this country. So thoroughly do the various elements mix that, after a generation or two, few people know exactly from what stocks they have sprung. Thus the United States has become a great "melting pot" in which the immigrant loses his nationality and becomes an American. Many believe that this process of amalgamation has aided materially in the industrial progress of the country. Each people has added its best characteristics to the common stock. The sturdiness of one, for example, has gone to temper the impulsive nature of another.

For obvious reasons, several elements in the population have remained distinct. The Chinese and Japanese have neither demanded, nor have they been asked, to become a real part of American life. They are separated from the mass of people by racial and religious differences. At the present time a "Chinaman," in the mind of the typical American, is a foreigner and must remain so.<sup>1</sup> Like the

<sup>1</sup> In 1900, there were 89,863 Chinese in the United States, and in 1910, 71,531; in the same years the number of Japanese stood at 24,326 and 72,157. In 1910 California had over half of the Chinese or 36,248; nearly one-third of these or 10,582 lived in San Francisco County. The same census gave California 41,356 Japanese of this number, Los Angeles County had 8,461 and San Francisco County 4,518.

Chinese, but not to the same extent by any means, the Jews form a distinct class. Their isolation is the result largely of their own choice, and caused by their religion. A third element, which owes its separation entirely to race, is the negro. Unlike the Chinese or Jews, negroes have, with the bulk of the population, many points in common — religion, language, customs, manners, habits.

## ELEMENTS IN THE POPULATION, 1910

Native whites . . . . .	68,386,412
Foreign-born whites . . . . .	13,345,545
Total white population . . . . .	81,731,957
Negroes . . . . .	9,827,763
Indians . . . . .	265,683
Japanese . . . . .	72,157
Chinese . . . . .	71,531
All others . . . . .	3,175
Total population (exclusive of outlying possessions) . . . . .	91,972,266

**312. Negro Population.**—The negro race in the United States, because of its numbers and the peculiar place it holds, merits particular consideration. In spite of handicaps, the negroes have made notable progress during their half century of freedom. Without education, training, or property at the time of their emancipation, they have come to be, if not prosperous, at least self-supporting as a people.<sup>1</sup> Some have become relatively wealthy; many more are in good circumstances; a few have attained prominence in the learned professions. Colleges and technical schools have been established with private funds for their education and training. In the South the states provide separate elementary schools for negro children; in the North they usually attend the regular public schools. An increasing number of negro men and women are being graduated from

<sup>1</sup> The following table shows a gratifying increase in the number of negroes in the South owning their homes:

	Owned	Rented
1890 . . . . .	17.7 per cent	82.3 per cent
1900 . . . . .	21.7 per cent	78.3 per cent
1910 . . . . .	23.7 per cent	76.3 per cent



northern colleges and universities. Ordinarily the negroes have their own organizations such as churches and lodges. These they have managed with fair success. In spite of progress and success the negro has remained a distinct class; and, in the opinion of most people, this distinction will continue indefinitely. Nowhere has any progress been made in the amalgamation of whites and blacks. Thus we see the curious spectacle of ten million people enjoying with their neighbors, in a way, equality of education, opportunity, and freedom, but developing apart and distinct from those about them.

The large majority of the negroes of the United States reside in the South. Having been held there as slaves it was but natural that they should remain as freedmen. They are accustomed to the climate of that region, and familiar with its crops. Most of them necessarily are engaged in agriculture. Northern negroes are to be found principally in cities, where opportunities of engaging in personal service in homes, hotels, and barber shops are plentiful.

**313. Immigration.**—The change in the character of immigration, the beginning of which was noted in the preceding chapter, has continued until, at the present time, few English, Irish, German, or Scandinavian immigrants are coming to the United States. Instead, the great bulk is from southern and eastern Europe. "Italy leads in this movement: with only about 12,000 immigrants in 1880 and 32,159 in 1882, the number increased in the year 1901 to the enormous aggregate of 135,996. The various races of Austria-Hungary . . . whose immigration in 1880 was only 17,000 and in 1882 was 29,150, in the year 1901 reached 113,390. Russian immigration, including Poles, Hebrews, and a small number of Russians proper, which numbered 7,000 in 1880 and 21,590 in 1882, reached a total of 85,257 in 1901."<sup>1</sup> Since 1901 the number of immigrants from these countries has been even greater. During the last year preceding the European war (June 30, 1913, to June 30, 1914) the Italians numbered 296,414; the Poles, 122,657; and the Jews 138,051.

<sup>1</sup> *Final Report of the Industrial Commission*, p. 959.



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**Inspector Examining Record of an Immigrant, Ellis Island**

This change in immigration has created in many quarters a demand for some plan whereby the unskilled and illiterate immigrants from southern and eastern Europe could be barred from entering the United States. Several times recently Congress has passed bills requiring immigrants to pass certain educational tests only to have them vetoed by the President. Finally, in 1917, that body passed over President Wilson's veto a "literary test" immigration law, which, it is supposed, will materially reduce the number of immigrants coming into the United States. Much of the opposition to the "newer immigration," as it is sometimes called, arises in labor union circles.<sup>1</sup> The feeling is prevalent there that it has had a demoralizing effect on wages. Others object on the ground that present-day immigrants, unlike the Irish, English, and Germans of a generation ago, have no intention of making permanent homes in this country, but intend to return to their native lands as soon as they have accumulated a few hundred dollars. A third objection is that the newer immigrants, instead of going on the land, congregate in cities, where they add to the serious problems of city government.

The fundamental objection to the newer immigrants appears to be that the older elements in the United States refuse to intermarry with them. Otherwise there is little reason to believe that their coming to America would present a more serious problem than did the coming of the northern Europeans a generation ago. We may con-

<sup>1</sup> Practically every report of the American Federation of Labor condemns the newer immigration. The following resolution is typical: "WHEREAS, It is stated upon good authority that there are now in this country two million foreigners, who have come to America with no intention of becoming American citizens, but to remain until they earn a few hundred dollars and then return to their native land; and

"WHEREAS, These men, of whom many are butcher workmen, are working for a wage not to exceed \$1.30 per day and living upon the 30 cents and sending back to their former homes \$1.00 per day; and

"WHEREAS, The low wages for which they labor and the deplorable conditions under which they exist is practically establishing the standard of living for the American laboring man; therefore, be it

"RESOLVED, That the Executive Council be instructed to investigate this question at such time as is most convenient and be prepared to report back their findings in this matter to the coming convention of 1912."—*Report of Proceedings of the Thirty-first Annual Convention of the American Federation of Labor, 1911*, p. 298.

clude, then, that as long as any element remains aloof from the mass of the population, whatever the reason, that element must appear to the majority to be undesirable.

**314. Interstate Movement of Native Population.**— A curious phenomenon, distinctly American, has been the movement of population among the states and sections of the country. The settlement of the Mississippi Valley and the Far West was but one of the results of this movement; the rapid increase in city population has been another. A "Missouri Club" in New York City, a "Massachusetts Colony" in southern California, the "Daughters of the South" in Chicago, and a "North Atlantic Association" in Wyoming indicate roughly the scope of this movement. Until recently many of the western states were populated chiefly by persons born east of the Mississippi River. In fact as late as 1910 there were but eight states west of the Mississippi in which a majority of the population were natives of the state in which they then resided. One of the oldest of the central states elected its first native-born governor in 1900. Of late years the flow of population westward has been somewhat checked. More and more, young men are "going east to grow up with the country."

In this interstate migration there have been rather well defined streams of movement. New Englanders have gone to New York, and New Yorkers to Michigan. Ohio and Indiana have furnished hundreds of thousands of inhabitants for Illinois, while Illinois in turn has contributed even greater numbers to Iowa and Missouri. In the South, Kentuckians have migrated to Tennessee and Arkansas, and Texans to Oklahoma. East of the Mississippi River, all of the states, except Michigan, West Virginia, New Jersey, Connecticut, Rhode Island, and Massachusetts, have lost by interstate migration. West of the river, but four states — Iowa, Missouri, Louisiana, and Utah — have had similar losses. In the older sections of the South this movement has been less noticeable, owing to the absence of large cities, and to the disinclination of the negroes to leave the locality of their birth. The extent of interstate migration is best shown, per-

haps, by the fact that about one white person in every six does not reside in the state of his birth.<sup>1</sup>

**315. The Wealth of the People.**—The wealth of the United States has come to be proverbial. This country, with 7 per cent of the earth's area and 6 per cent of its population, produces 70 per cent of the corn, 20 per cent of the wheat, 60 per cent of the cotton, 35 per cent of the tobacco, and 15 per cent of the cattle. It leads in the production of coal, petroleum, copper, and iron. Farm property alone is valued at more than forty billion dollars; and the value of the annual output of the manufacturing establishments exceeds twenty billion. The total wealth of the country is not far from two hundred billion dollars, a per capita wealth of something like two thousand dollars. The country's foreign trade, ordinarily about four billion dollars a year, is scarcely one-tenth as great as the domestic trade. For several years the receipts of the treasury have exceeded a half billion dollars. Thomas B. Reed spoke truly a few years ago, when, in defending the heavy appropriations voted by Congress, he said that the United States had now become a "billion dollar country."

**316. Moral and Spiritual Developments.**—Happily the material success of the people during the past generation and more has not been made at the expense of moral and spiritual growth. Never has more attention been given to unfortunate men, women, and children. Almshouses, public hospitals, free dispensaries, and state employment agencies are maintained at public expense. Christian associations, workingmens' hotels, united charities' associations, and numerous other institutions for the uplift, the protection, and the relief of the

<sup>1</sup> In 1910, the following states had the indicated per cent of their native American population born in other states:

Wyoming . . . . .	72.6	Oregon . . . . .	59.4
Washington . . . . .	69.8	District of Columbia . . . . .	54.2
Idaho . . . . .	67.8	South Dakota . . . . .	53.1
Oklahoma . . . . .	68.0	North Dakota . . . . .	52.3
Colorado . . . . .	64.8	California . . . . .	48.8
Nevada . . . . .	64.7	Arizona . . . . .	48.6
Montana . . . . .	64.2	Kansas . . . . .	46.7

In the United States as a whole, 21.7 per cent of the native born people were born in states other than those in which they then resided.

people testify to the philanthropic spirit of the well-to-do classes. More and more, wealthy men are coming to believe that material success carries with it a corresponding degree of responsibility to society.

There have also been marked changes for the better in the moral and religious life of the people. Drinking in public places and drunkenness have declined. Many social clubs have abolished their bars, and scores of magazines and metropolitan newspapers refuse to carry liquor advertisements. Society demands, as never before, that its servants be temperate. Few candidates for office would dare, as was formerly the custom, to solicit votes at the bar of a licensed saloon. The result of this changed feeling may be seen in the rapid spread of "dry territory." More than a score of states have state-wide prohibition, and in many more only small areas have the licensed saloon. The increase in the votes polled by the Prohibition party indicates also, though but roughly, this change in sentiment. The total Prohibition vote in 1880 was 10,305. In 1908 it was 250,000, and in 1916 213,970. Profanity is less prevalent than it was a generation ago. The swearing and cursing that once shocked European travelers in the United States have disappeared to a considerable extent, and the American tourist is no longer recognized in foreign countries by his profanity. It appears also that church and religious activities have increased. Old persons may complain of a lack of spiritual fervor in modern religion, yet there are reasons to believe that never before have churches been so strong and prosperous. Millions of children and adults may be found every Sunday in the thousands of Bible schools of the land, while there is scarcely a hamlet that does not have its flourishing men's class, its ladies' aid society, and its young people's organization.<sup>1</sup>

<sup>1</sup> The following table shows the increase in the number of church members for the leading denominations from 1910 to 1914:

	1910	1914
1. Roman Catholic Church . . . . .	12,217,373	13,673,787
2. Methodist bodies . . . . .	6,477,224	7,125,069
3. Baptist bodies . . . . .	5,510,590	6,129,467
4. Lutheran bodies . . . . .	2,173,047	2,388,722
5. Presbyterian bodies . . . . .	1,848,046	2,027,598
6. Disciples, or Christians . . . . .	1,430,015	1,519,369

The totals of all denominations (including 143,000 Jews) were 34,517,377 (1910) and 38,059,428 (1914).

**317. The Civil Service.**—“Morality in government” has also made rapid strides since 1880. In 1871 Congress had provided for filling minor public positions with the best fitted candidates, but the law appears to have had little effect in eliminating the spoils system from the national government. Twelve years later (1883) another civil service law (Pendleton Act) authorized the president to name a commission to have charge of appointment to certain federal offices. Since that time the principle of giving places to those best fitted to render service has gradually spread, though not without serious objections on the part of many “practical politicians.” Now hundreds of thousands of federal, state, and city “jobs” are filled as the result of competitive examination rather than of “political pull.”

**318. The People in the Government.**—Along with reforms in civil service has come a growing conviction in many states that the people ought to have an opportunity to participate more directly in the matter of making and administering laws. The result has been the initiative, the referendum, and the recall. The first gives the voters the opportunity to initiate laws; the second, to pass judgment on laws before they become operative; while the third places in their hands the power of recalling unsatisfactory public officials before the expiration of their terms of office. Agitation for these reforms began in 1896, when the Peoples Party (Populists) declared for a “system of direct legislation through the initiative and referendum, under proper constitutional safeguards.” The next year the state of South Dakota adopted the system. Since then it has spread to all sections of the country.<sup>1</sup> Thus, as never before in the United States, the people have in the short space of twenty years asserted their right to make and enforce their own laws somewhat independent of elected representatives.

No account of the increased participation of the American people in their own government during the past decade would be complete without a notice of the “votes for women” propaganda. The first

<sup>1</sup> Other adoptions were: Utah, 1900; Oregon, 1902; Montana, 1906; Oklahoma, 1907; Maine, 1908; Missouri, 1908; Arkansas, 1910; Colorado, 1910; Arizona, 1911; California, 1911; Washington, 1912; Nebraska, 1912; Idaho, 1912; Ohio, 1912.

state to grant full suffrage was Wyoming (1890). During the next ten years three other western states (Colorado, Utah, and Idaho), followed the lead of Wyoming. Thus at the beginning of the present century in four states women were allowed equal participation in government, and in many others they enjoyed restricted rights of voting, usually for school officers. The next decade saw the women active in demanding the ballot, but without apparent success. Beginning about 1910, however, the cause gathered impetus, and during the next five years it made important gains. State after state went over to the "suffrage" ranks until more than a dozen had granted to women complete equality in government. Both the leading parties have repeatedly declared for the cause in some form. The Democrats generally hold that it is a matter for state regulation, while the Republicans have declared that it is a national issue.

**319. Literature and Education.**—American literature during the past half century has undergone radical changes. The growth and multiplication of magazines, the enlargement of newspapers, and the improvement of transportation and mail facilities have carried into practically every home the best current literature. While the short story has appeared to supersede the more elevating essay and poetry of a generation ago, much to the regret of many persons, there is little reason to believe that the literary taste of Americans is less keen than it was formerly.

In educational development and advancement the United States stands in the front rank of nations. Elementary education in this country is free and very often compulsory. In fact, the number of children attending schools the country over is something like twenty million. In an effort to provide teachers for this vast army, almost three hundred normal schools, public and private, have been established. Perhaps the most marked development in American education has been the high school. The equipment and courses of high schools have been so expanded as to make them equal to the colleges of a few years ago. Many cities have made their most lavish expenditures on the public high school, often referred to as the "people's





Some Buildings of Stanford University  
Main Hall, University of Virginia



Gibson Hall, Tulane University  
Library Building, Columbia University

college." Universities, too, have had wonderful growths. Student bodies of two and three thousand are common, while one eastern university boasts of more than ten thousand students. Similarly the small college has enjoyed an increase in endowment and influence.

## II. ORGANIZED LABOR AND LABOR LEGISLATION

**320. Early Labor Organization.**—Several labor organizations sprang up prior to the Civil War, but owing to the smallness of establishments, the difficulties of transportation and communication, and the ease with which public land could be acquired, they remained local and relatively unimportant. The war with its high prices caused laborers to feel the need of combination in order to raise wages. Obstacles they had formerly encountered were gradually removed. Establishments grew rapidly, communication became less difficult,



*Copyright by Underwood & Underwood*

New York East Side poor people hold mass meeting to protest against high prices.

and the supply of available public land decreased. As these changes continued, the opportunity and need of organizing became greater. Consequently in 1868 a National Labor Congress was held in Baltimore. Similar conventions assembled soon after. All had the same program: (1) an eight-hour day, (2) public land to be granted only to actual settlers, (3) restriction on immigration, (4) reduction of the tariff, (5) a small standing army, (6) early payment of the national debt. At that time, organized labor appears not to have been taken seriously by the public at large. The employees had no solid organization with well oiled machinery to manage its affairs. They were scarcely yet in dead earnest in their demands on the employer. It remained for a more effective organization to take up the cause of labor.

**321. The Knights of Labor.**—The Noble Order of the Knights of Labor was organized during the first year of President Grant's first administration (November, 1869), by a Philadelphia tailor, U. S. Stevens. At first it was a secret organization, having a ritual similar in many respects to those of present-day fraternal orders. Later the policy of secrecy was dropped. The Knights of Labor seem to have been organized chiefly for the benefit of the garment workers. Soon, however, it was thrown open to all workers, excepting only employees in the manufacture or sale of intoxicating liquors, bankers, professional gamblers, and lawyers. The membership grew until in 1886 it exceeded a half million. This was the highest point reached. A little later it began to decline rapidly. At the present time the organization is small, and possesses relatively little influence in labor circles.

The Knights of Labor was a highly centralized organization — that is, its head officers exercised considerable authority over the local bodies. Its chief purpose was to "improve the conditions of the laboring classes as a whole, not merely to better the conditions of a fraction of the mass, that is, of one trade." Its favorite motto was, "an injury to one is the concern of all." It proposed to attain its ends not by strikes and boycotts, but through political pressure brought to bear by the votes of its members. The aims of the or-

ganization were commendable, even idealistic;<sup>1</sup> yet in refusing to adopt the strike as a means of enforcing the demands of labor, it proved unsatisfactory to the workers, and was compelled to give way to an entirely different type of organization, the American Federation of Labor.

**322. The American Federation of Labor.**—The American Federation of Labor was organized in 1881. Ten years later the membership was reported to be in excess of two hundred thousand. Until 1900, however, the growth of the organization was slow, but since that time it has enjoyed an increasing prosperity. The total membership at present is about two million. As the name implies, the Federation is a loosely-united body of national and international labor unions. The individual members, and even the locals, have no direct relation to the central organization. A union carpenter, for example, holds membership in the carpenters' union, which in turn is an integral part of the Federation. The only large organized bodies of employees that are not members of the Federation are the railroad men.<sup>2</sup>

Unlike the Knights of Labor, the Federation as an organization has not employed politics to any great extent as a means of improving working conditions. Instead, it has depended largely on the strike to force employers to comply with its demands. For that reason, it has succeeded where its rival failed. At the present time the Federation exercises a powerful influence in shaping the industry of the country.

**323. Strikes and Lockouts.**—The most effective weapon employed by organized labor has been the strike. Formerly when each

<sup>1</sup> The program of the Knights of Labor called for the establishment of local bureaus, weekly wage payments, the abolition of contract labor, higher wages, and an eight hour working day.

<sup>2</sup> Membership of the American Federation of Labor:

1897 . . . . .	264,825	1910 . . . . .	1,562,112
1900 . . . . .	584,321	1912 . . . . .	1,770,145
1902 . . . . .	1,024,399	1913 . . . . .	1,996,004
1904 . . . . .	1,676,200	1914 . . . . .	2,020,671
1906 . . . . .	1,454,200	1915 . . . . .	1,946,347
1908 . . . . .	1,586,885		

employee bargained with his employer, strikes were impossible. If for any reason he disliked his work, he could do no more than quit and that was the end of the matter. Likewise the employer could dismiss him without serious objections on the part of the other employees. The unions, however, combined many employees and made the



*From American Press Association*

#### Street Car Strike, New York City

In the summer of 1915 the employees of a number of the surface lines in New York struck for higher pay. The picture shows a crowd of strikers and strike sympathizers preventing from being run a car manned by "strike-breakers."

interests of one the interests of all. Then the men in any establishment or trade were able to gain many of their demands by quitting in a body — that is, by striking. The employer, to be sure, retained the privilege of closing his plant — that is, of declaring a lockout.

The first serious strike in the United States occurred in 1877, when a great number of railroad men, particularly on the Baltimore and Ohio, and the Pennsylvania, quit work rather than accept a reduction

in wages. They refused not only to operate the trains, but also to allow others to operate them. A great deal of property was destroyed, and several lives were lost in a pitched battle between the strikers and United States troops.

In general, strikes have been caused by the desire of employees to secure (1) higher wages, (2) shorter hours, or (3) better working conditions. Whether or not the strike itself has materially aided to bring about those changes is a disputed question. Yet it cannot be doubted that wages are higher than formerly, that the working day has become shorter, and that the conditions under which the employees work have been greatly improved. Whatever the benefit of the strike, it has not cost the working people, as a class, as much as is sometimes supposed. While the aggregate loss in wages has amounted to many millions of dollars, the annual loss to each worker probably does not exceed one day's wages.

Most strikes have been settled by arbitration — that is, by the strikers and their employer agreeing to abide by the decision of an impartial committee specially selected to investigate the difficulty. In some of the states, public boards are ready at all times to offer their services in arbitrating labor disputes, but in none of them has compulsory arbitration been attempted. Up to the present time, therefore, the settlement of strikes has been largely in the hands of the parties to the dispute — the strikers and their employer.

The employers also have their associations through which they are able to deal more effectively with organized labor. The American Manufacturers' Association, for example, has a strong membership made up of leading manufacturers in many different industries. Though the members of the Association usually deal directly as individuals with organized labor it is generally well understood that they stand ready to assist each other in labor troubles.

**324. Organized Labor and Socialism.**— More and more, as John Mitchell once said, organized labor is coming to the conclusion that the best interests of industry demand employers as well as employees,

in other words, capital as well as labor.<sup>1</sup> This the socialists deny, taking the position that there is an inevitable conflict between labor and capital, and that the employing class must give way to the state. Hence there is little sympathy between organized labor and socialism. In fact, the two are often antagonistic. Laborers very generally refuse to vote the socialistic ticket, while socialists openly oppose the attempt of labor to gain its ends through strikes.

**325. Labor Legislation.**—Much of the social and industrial progress of the past generation is reflected in labor legislation. In many sections of the country, woman and child labor has come to be regulated as to night work, to sanitary surroundings, and to the length of the working day. Some attempts even have been made to establish a minimum wage below which employers might not go. Some states have required retail merchants, for example, to provide seats for women employees while not engaged in waiting on the trade; some have compelled the removal of bakeries from cellars; while others have prohibited Sunday work. The states generally have regulated labor in deep mines, some requiring, for example, that blasting be done only at night and then by skilled blasters. Such examples indicate the development of labor legislation during the past few years.

Little of the legislation has had in view the regulation of labor of adult males, for the courts have usually declared laws which interfere with the labor of men to be unconstitutional — that is, contrary to the Constitution. In the case of women and children, however, it is generally held that the law-making bodies have a right to regulate

<sup>1</sup> "The average wage earner has made up his mind that he must remain a wage earner. He has given up the hope of a kingdom to come, where he himself will be a capitalist, and he asks that the reward for his work be given to him as a working-man. . . .

"There is no necessary hostility between labor and capital. Neither can do without the other; each has evolved from the other. Capital is labor saved and materialized; the power to labor is in itself a form of capital. There is not even a necessary, fundamental antagonism between the laborer and the capitalist. Both are men, with the virtues and vices of men, and each wishes at times more than his fair share. Yet, broadly considered, the interest of the one is the interest of the other, and the prosperity of the one is the prosperity of the other. . . ."—Mitchell, *John, Organized Labor*, Preface.

their labor in order that they may not be imposed on by unscrupulous employers.

**326. Child Labor.**—Of all the classes of the working population, the children need the most careful protection — not only against unscrupulous employers but also against themselves and against their parents. A century ago it was generally believed that a factory owner conferred a favor in giving employment to boys and girls. Soon the serious effects of long hours of labor began to undermine the health, morals, and education of the working classes. Then popular opinion gradually underwent a change. Many states placed limits on the age at which children might be employed, specified the maximum number of hours in a working day, prohibited night work, and provided compulsory education. In some states, however, the laws have not always been strictly enforced, yet their presence on the statute books indicates the trend of public opinion. In 1916 a federal child labor law was enacted which restricts somewhat the labor of children in industries producing for interstate trade. A great deal of child labor, however, is still used in such industries as cotton spinning, bottle blowing, and coal breaking, yet the conditions under which the children work are improved over what they formerly were.

Labor unions have exerted their influence, some say in a spirit of selfishness, to restrict child labor. Not only has organized labor opposed children in industry, but more commendably it has encouraged the training of boys for the trades. In a few cities the unions cooperate with the school authorities in an arrangement whereby apprentices are required to attend school during portions of the year. Many manufacturing plants, realizing the responsibility incurred by the employment of children, attend to the education of their apprentices. From whatever angle child labor may be viewed, one must conclude that more attention is now being given than ever before to the education and training of the boys and girls who are compelled to go into industry.



## POPULATION AND LABOR

## ORAL AND WRITTEN EXERCISES

1. How does the United States rank in population? in wealth?
  2. Account for the rapid growth of New York state.
  3. What is meant by the expression "center of population"? "median of population"?
  4. What has caused the growth of cities since 1880?
  5. What important problems has the rapid growth of cities raised?
  6. What is the back-to-the-farm movement?
  7. Why is the United States sometimes called a "melting pot"?
  8. What groups of population have not been absorbed?
  9. Why did the negroes remain in the South?
  10. What progress has the negro made since 1865?
  11. What is meant by the expression, "newer immigration"?
  12. What objections are raised against the newer immigration?
  13. Account for the heavy interstate migration since 1880?
  14. What changes have occurred in religion? temperance?
  15. Why were there few labor organizations before 1860?
  16. Who were the Knights of Labor?
  17. What is the American Federation of Labor?
  18. How do these organizations differ?
  19. What is a strike? a lockout?
  20. What usually causes strikes?
  21. How do socialists regard organized labor?
  22. What has been the purpose of labor legislation? the result?
- 
23. Suggested topics for oral or written reports:
    - Present-day Problems of Immigration.
    - The Negro Problem in the South.
    - The Effects of the Strike on Labor.
- 
24. Important dates:
    - 1869 — Organization of the Knights of Labor.
    - 1877 — First important strike.
    - 1881 — Organization of the American Federation of Labor.

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# CHAPTER XXII

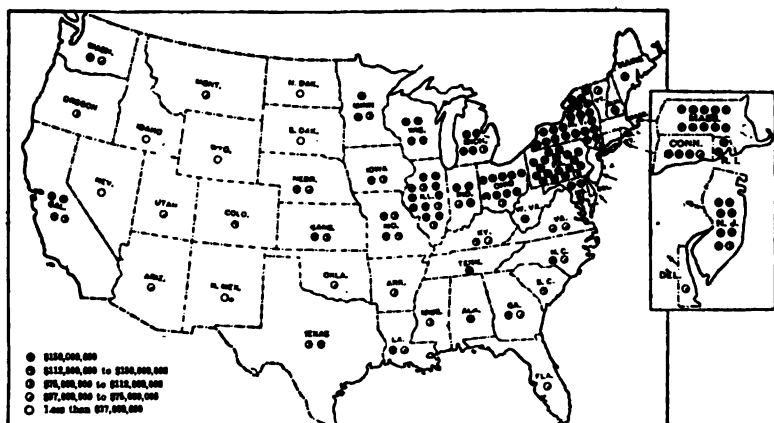
## MANUFACTURES, MINING, AND THE TARIFF

### 1880-1917

#### I. GROWTH OF MANUFACTURES

**327. Extent and Character of Growth.**— The growth of American manufactures since 1880 has served to place the United States in front rank among manufacturing nations. At the beginning of the period (1880), there were 253,852 establishments, including hand and neighborhood industries, employing a capital of \$2,790,272,606 and turning out an annual product valued at \$5,369,579,191. During the next twenty years the number of establishments doubled, the amount of capital trebled, and the annual output increased about 150 per cent. The next decade (1900-1910) saw a peculiar development in manufactures; there was scarcely any increase in the number of

VALUE OF MANUFACTURED PRODUCTS (By States), 1909



Note on the above map the location of the most important manufacturing states.

establishments, owing to numerous consolidations of independent plants; the amount of capital, however, increased more than a hundred per cent, and the value of the product almost as much. In 1914 the condition of manufactures was as follows:

Number of establishments, 275,793. (Note decrease since 1910)

Amount of capital employed, \$22,790,880,000

Annual value of product, \$24,246,323,000

The greatest growth in manufactures has taken place in the region east of the Mississippi and north of the Ohio. New York leads in the value of output; Pennsylvania, Illinois, Massachusetts, and Ohio rank next, in the order indicated.

Many important factors have contributed to the rapid growth of American manufactures, chief of which is the abundance of natural resources. Iron ore, timber, grain, and cotton supply the material for innumerable manufactures, while the supply of energy in the form of water power, petroleum, and coal seems inexhaustible. A second factor, and one likely to be overlooked, is the enterprise and daring of the American manufacturer. He is tireless, demands the latest and best machinery, and loses no opportunity to increase the quantity and to improve the quality of his product. No other nation excels the United States in this respect. The inventive genius and energy of the people of all classes have likewise added to the industrial success of the country. A third factor has been the development and extension of transportation facilities. No nation made up of isolated sections can hope to succeed in manufactures on a large scale, for a proper territorial division of labor would be impossible. In the United States, which has almost half of the world's railroad mileage and more than thirty-five thousand miles of coast line and navigable rivers, every section of the country has developed the industry to which it is the best suited.

**328. Leading Industries.**—The leading manufacturing industry in 1880, in so far as the value of the product was concerned, was the grinding of wheat and corn. The second in importance was slaughtering and meat packing. Both industries, it will be noted, work up raw

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materials of comparatively high value. For that reason they require fewer employees and add less value to their products than other industries having equivalent outputs. In 1890 meat packing took the lead in American manufactures, only to be displaced ten years later by the foundry and machine shop industry. Since then meat packing has regained the leading position. The flour industry, though it has enjoyed a substantial growth during the past generation, now occupies fifth place. In 1909 the ten leading industries in the order

of the value of output were:<sup>1</sup>

1. Slaughtering and meat packing.
2. Foundry and machine shop products.
3. Lumber and timber products.
4. Iron and steel.
5. Flour and gristmilling.
6. Printing and publishing.
7. Cotton goods.
8. Men's clothing.
9. Boots and shoes.
10. Woollen goods.



A Stockyards Scene. The chief stockyards are located in Chicago, Kansas City, Omaha, and New York

This by no means exhausts the list of important manufactures. In 1910 there were forty-eight industries each of which turned

<sup>1</sup> Since the Thirteenth Census (1910), the automobile and the motion picture industries have grown rapidly, and they are likely to become increasingly important.

out an annual product valued at more than one hundred million dollars.

**329. Manufacturing Centers.**—Manufactures, for various reasons, tend to concentrate in certain states, districts, and cities. Chance location at an early day sometimes accounts for the development of a certain industry in a particular city or region. More often, however, there are certain *general* advantages which tend to give localities a prominence in manufactures, such as (1) water power, (2) convenient transportation facilities, (3) capital available for investment, (4) adequate supply of labor. A more *particular localization* may be caused by (1) nearness of the source of raw materials, (2) nearness of the market for particular products, (3) a particular supply of labor, (4) the momentum of an early start, and (5) the habit of industrial imitation. The *general* advantages mentioned above have stimulated manufactures in the region north of the Ohio and east of the Mississippi, while one or more of the *particular* advantages account for the iron industry in Pennsylvania, slaughtering and meat packing in Illinois, stove manufactures in Detroit, the making of boots and shoes in Lynn, Massachusetts, and the collar and cuff industry in Troy, New York.<sup>1</sup>

The leading manufacturing center for more than a half century has been New York City. That, perhaps, more than any other single fact, accounts for the rapid growth of wealth and population about the mouth of the Hudson River. In 1910, Greater New York had more manufacturing plants than the combined number in Chicago, Philadelphia, St. Louis, Cleveland, Detroit, and Pittsburgh, and the

<sup>1</sup> Leading manufacturing states with the value of their product for 1909 follow:

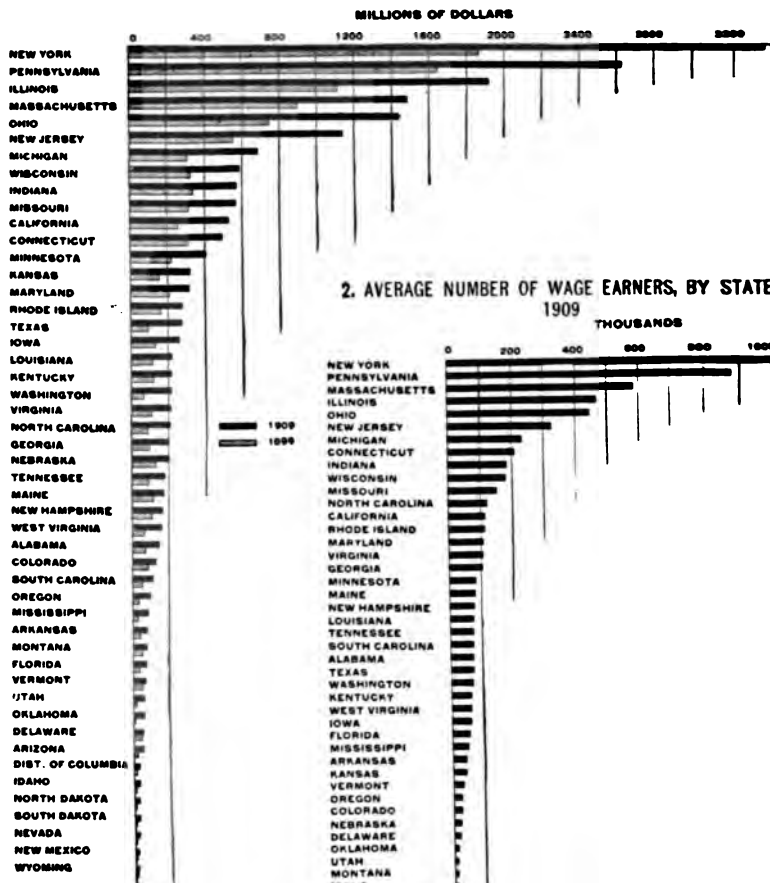
New York . . . . .	\$3,369,490,000	Massachusetts . . . . .	1,490,529,386
Pennsylvania . . . . .	2,626,742,000	Ohio . . . . .	1,437,936,000
Illinois . . . . .	1,919,277,000	New Jersey . . . . .	1,145,529,000

The leading manufacturing product of each of these states for 1909 follows:

New York — Men's and women's clothing . . . . .	\$538,593,000
Pennsylvania — Foundry and machine shop products . . . . .	210,746,257
Illinois — Slaughtering and meat packing . . . . .	389,594,906
Massachusetts — Boots and shoes . . . . .	236,342,915
Ohio — Foundry and machine shop products . . . . .	145,836,648
New Jersey — Smelting and refining copper . . . . .	125,651,000

# 390 MANUFACTURES, MINING, AND THE TARIFF

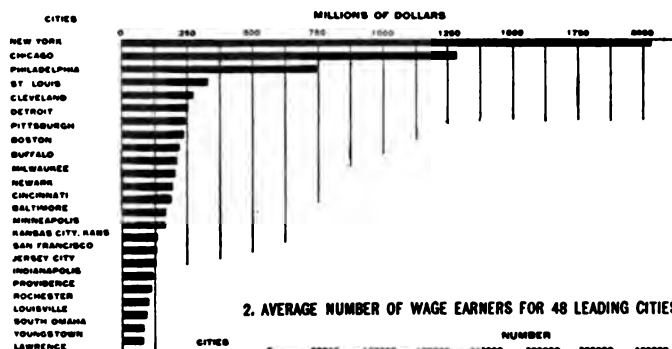
## 1. VALUE OF PRODUCTS OF MANUFACTURING INDUSTRIES, BY STATES: 1909 AND 1899



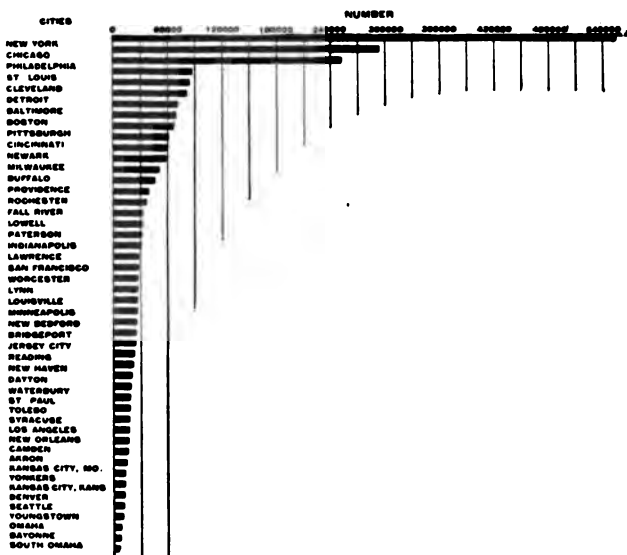
value of their products exceeds the value of the manufactured goods produced in Chicago and Philadelphia.

Other cities, however, have prospered in manufactures, though in comparison with New York most of them are relatively unimportant, as the following shows:

1. VALUE OF MANUFACTURED PRODUCTS FOR 48 LEADING CITIES: 1909



2. AVERAGE NUMBER OF WAGE EARNERS FOR 48 LEADING CITIES: 1909



330. Manufacturing for Export.—The most gratifying development in American manufactures during the past generation has been



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the rapid growth of the export trade in manufactured goods, especially in pure manufactures such as steel and cloth. In 1860 the value of this trade was but \$40,000,000, which made up one-eighth of the total exports. During the next thirty-five years (1860-1895) the exports of manufactures grew slowly, the greatest increase being in iron and steel products. This slow growth may be accounted for: (1) by the rapidly increasing domestic demand, which was able to absorb home manufactures at a high price; and (2) by the inability of American manufacturers to compete in foreign markets. After 1895, however, both these obstacles to the development of the export trade in manufactures were removed. Improved machinery and better methods of production created a surplus, which naturally sought markets abroad; the consolidation and enlargement of plants, by giving the manufacturers more capital and better credit, increased their ability to compete with foreign industry. As a result the exports of manufactured goods "ready for consumption" increased to \$331,746,496 in 1900; to \$499,215,329 in 1910; and to \$724,908,000 in 1914. Aside from manufactured food products, such as meat and flour, the most important exports of manufactures are refined iron, machinery, agricultural implements, boots and shoes, and cloth.

**331. Workers in Manufactures.**—The increase in the number of workers in manufacturing industries during the past generation has been at a much greater rate than the increase in the total population. From a little more than a million and a quarter in 1859, the number grew to more than seven and a half million in 1909 — an increase of 500 per cent. During the same period the total population increased less than 200 per cent. Of this vast army of workers, one-fifth was women and girls.

### PERSONS ENGAGED IN MANUFACTURES, 1909

Class	Number of Workers	Per Cent of All Workers
Proprietors . . . . .	273,265	3.6
Officers of corporations . . . . .	80,735	1.1
Superintendents and managers . . . . .	133,173	1.7
Clerks . . . . .	573,359	7.5
Wage-earners . . . . .	6,615,046	86.1

Of more than six and a half million wage earners, one-sixth worked nine hours a day, one-third from nine to ten hours, and another third ten hours. That is, a large majority of the persons employed in manufactures worked on an average of from nine to ten hours each day. Thus we see that the eight-hour day, which has come to prevail in many trades, has not yet been adopted to any great extent in manufactures.

**332. Size and Ownership of Establishments.**— In reaching their present stage of development, manufactures have under-



*By Courtesy of the Studebaker Corporation*

Bird's-eye view of plant of Studebaker corporation, South Bend, Indiana (*below*). Blacksmith shop (*above*) run by John Studebaker in the pioneer period.

gone two important changes. First, there has been a notable increase in the size of establishments, brought about by an increase in wealth and by consolidation of independent plants. Second, the corporate form of ownership and management has grown until it dominates all forms of manufactures. As was noted in a previous connection, the average manufacturing establishment in 1860 had a capital of \$7,000, turned out an annual product valued at \$13,000, and gave employment to nine laborers. A half century later (1909), the same items were \$75,000, \$80,000 and twenty-five laborers.

The growth of the corporate form of ownership and management in manufactures during the past twenty or thirty years has been phenomenal. Formerly, individuals and firms (partnerships) owned and managed practically all of the manufacturing plants. Now, the establishments controlled by corporations, while they number but one-fourth of the total, turn out four-fifths of the total product.

## OWNERSHIP OF MANUFACTURES, 1910

Character of Ownership	Wage-earners		Value of Product	
	Average Number	Per Cent of Total	Average Value	Per Cent of Total
Individual . . . . .	6	12.2	\$14,523	9.9
Partnership (firm) . . . . .	15	12.0	40,249	10.6
Corporation . . . . .	72	75.6	235,121	79.0

One of the chief causes for the growth of corporations has been the need of more capital than either individuals or firms could furnish. No one cares to invest money in a partnership unless he can give his personal attention to the business, for ordinarily he is liable for the firm's debts. Ownership of shares in a corporation, however, usually carries no liability beyond the value of the shares owned. That is, one may invest in a corporation with the assurance that he is risking only his investment. The result of this "limited liability" form of ownership has been that wealthy men, insurance companies, and even small investors, have become owners of manufacturing establishments, something they could not have done or would not have cared to do, as individuals or partners.

## II. THE MINING INDUSTRIES

**333. Extent and Value of Product.**—The mining industries of the United States give employment to more than a million men, and the value of the annual product exceeds a billion dollars. The value of fuels mined in 1909 was estimated at more than seven hundred million dollars. Copper was second in value, iron third, and the precious metals fourth. The chief mineral state was Pennsylvania, after which came Illinois, West Virginia, Michigan, Ohio, and California. Pennsylvania led in the production of coal, both anthracite and bituminous. In fact, more than 99 per cent of the country's supply of anthracite

was mined in the eastern counties of that state. West Virginia was second in coal production, and Illinois third.

The chief iron ore regions were around Lake Superior. In 1909 the states of Minnesota and Michigan produced almost 80 per cent of the country's total supply of iron ore. Alabama was the chief iron-ore producing region of the South. The increase which we have noticed in the manufacture of iron was caused largely by the increased output of the iron mines. In 1879 the total output of ore was less than seven million tons; thirty years later it exceeded fifty million tons.

The production of petroleum and gas has also enjoyed a rapid growth during the past generation. In 1909 the value of the output exceeded one hundred seventy-five million dollars. The chief oil-producing states were California, Illinois, Oklahoma, West Virginia, Pennsylvania, Ohio, and Texas, and the total production was 171,559,394 barrels.

**334. Mining and Manufactures.**—The rapid development of manufactures has depended in part on a similar development in mining. Iron making, as was noticed in a preceding chapter, developed rapidly after anthracite and coke began to be used as fuels for smelting. Similarly, the manufacture of glass, pottery, electrical appliances, tinware, silverware, gold ornaments, and a variety of other products has had a close relation to mineral deposits and to improved methods of mining. The location of mines has been an important factor in determining the location of manufacturing industries. At an earlier day the mine was the center of the industries depending on its deposits. Improvements in transportation, however, caused this dependence to decline. Cheap water rates, for example, place the manufactures of Providence or Fall River almost on an equal footing, in so far as fuel is concerned, with similar manufactures in Pennsylvania.

**335. Condition of Mining.**—Though mining has aided in the development of the country, it has nevertheless raised social and industrial problems which are difficult of solution. Mining operations

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are usually carried on in districts where education, law and order, sanitation, and the like are difficult to administer. The reason for this is that the workers there are often the worst elements of the "newer immigration." They manifest but a passing interest in the welfare of the localities in which they may work, having in mind to



*By Courtesy of United States Steel Company*

**Bird's-eye View of Plant of United States**

return to the mother country at an early day, or at least to move on to a better job as soon as possible. It must be said, however, that the labors of such men as John Mitchell, who organized the anthracite miners in 1901, are going far to make conditions better, and the more optimistic believe that the day is not far distant when conditions of living in mining sections will become typically American.

**336. Monopoly in Mining.**—The scarcity of mineral-producing lands very naturally encouraged its monopolization. The anthracite fields, for example, occupy a total area of less than five hundred square miles; hence it was an easy matter for the eight railroads of

that region (eastern Pennsylvania) to get control of practically all the fields. Though the government has compelled the roads to relinquish their control, the anthracite industry by its very nature must remain monopolistic. Monopoly has found its way also into copper and iron ore mining, owing to the necessity of large capital in



Steel Company, Gary, Indiana

smelting. The petroleum industry, as it has been conducted by the Standard Oil Company, is also monopolistic. Placer gold and silver mining offers a free field, but that method is profitable only in a few districts. To a more limited extent, the bituminous coal industry may be undertaken by any one, for the large areas of coal-bearing lands prevent monopolization.

### III. THE TRUST MOVEMENT

**337. The First Trusts.**—The trust movement originated in a desire of independent firms to eliminate competition, or, as they said,

to eliminate *unfair* competition. In 1882 the Standard Oil Company, under the leadership of John D. Rockefeller, organized the first American trust. The plan of organization was simple but effective. Owners of competing oil companies deposited their stocks with nine trustees, receiving in return trust certificates, hence the name trust.<sup>1</sup> According to the agreement, the trustees managed the affairs of the combining companies in such a manner as to eliminate competition among themselves and to destroy the business of companies not in the combination. From the start, the new organization earned excessive profits for its members. This success led to the establishment of similar combinations in other fields. The Distillers' and Cattle Feeders' Company (the so-called Whisky Trust), the Sugar Refineries Company (the Sugar Trust), and other similar organizations with large capital and influence, were soon established.

**338. The Mania for Organizing Trusts.**—Ten years after its organization, the Standard Oil Trust was declared by the courts to be illegal and ordered to be dissolved. Two years before, the Sugar Trust had been dissolved. This was the end of the trusts, as far as the employment of trustees was concerned, but the term "trust" to designate large corporations, particularly those supposed to be monopolies, has continued to be used. The dissolution of these huge combines did not restore competition, nor did it destroy the trusts' excessive profits. Leading manufacturers, seeing the prosperity of the Standard Oil Company, which had been reorganized into one giant corporation after its dissolution in 1892, took steps to organize along the same lines. Consequently, one trust after another was formed until there scarcely remained a single important manufacturing industry unorganized. Investors eagerly bought "trust stocks." Even the most conservative bankers invested heavily in them. The feeling was general that such investments involved little risk, and that they would return large dividends. The failure of the ship-

<sup>1</sup> In 1870, the Standard Oil Company was one of two hundred and fifty oil refineries, and produced only four per cent of the total output. Seven years later, however, it controlled 95 per cent of the oil refined in the United States. The strong opposition of other producers led to the fusion of some forty companies as described above.

building combination in 1903 rudely awoke the people to the hard fact that trusts, like other corporations, might fail. By this time, however, the trust movement had about run its course. Practically all of the leading industries had been organized.<sup>1</sup>

**339. Regulation of Trusts.**—Along with the organization of trusts have gone the attempts of Congress to restrain their monopolistic powers. In 1890, the Sherman Anti-trust Act became a law. For several years the act was not enforced, chiefly because no one seemed to understand clearly its provisions. After considerable discussion and debate, both in and out of Congress, it was amended in 1903 by the Elkins Act, which made prosecution easier and more effective. Eight years later (1911), the Standard Oil Company and the American Tobacco Company were compelled to reorganize so as to eliminate some of their monopolistic features. Since then the government has been active in prosecuting the International Harvester Company, the United States Steel Company, and other so-called trusts. The latest federal legislation was the Clayton Anti-trust Act of 1915.<sup>2</sup>

The various states have made unsuccessful attempts to regulate the trusts. Their failure to get results has been due (1) to the fact that the trusts have often been immune from state regulation because of the interstate character of their business, and (2) to the action of several states, notably New Jersey and West Virginia, in granting too liberal charters to corporations.

<sup>1</sup> One authority has said that on January 1, 1903, there were 792 trusts with a combined capitalization of more than twenty billion dollars. Among these was the "Steel Trust," with stocks and bonds of a little over \$1,400,000,000, which began business April 1, 1901. No other corporation in the United States has so large a capital.

<sup>2</sup> This act declared, "That it shall be unlawful for any person engaged in commerce to make discriminations in prices between different purchasers of commodities sold for use, consumption, or resale, where the effect of the discrimination may be to substantially lessen competition or tend to the creation of monopoly. . . . That no corporation shall acquire the whole or any part of the stock or other share capital of another corporation, or two or more corporations, where the effect may be to substantially lessen competition, to restrain commerce, or to tend to create a monopoly." For an excellent account of the whole act see *American Economic Review*, March, 1915, pp. 38-54.



**340. Economies Effected by the Trusts.**—The trusts have undoubtedly effected economies in production and sale that would be quite impossible under a system of small competing enterprises. By combining capital and closing out the more inefficient plants, the trusts have been able to make the savings which go with large-scale production. Their managers are the best money can hire; they carry on expensive experiments in an effort to improve the product, something a small plant would find it impossible to do; the huge factories and mills allow the most complex division of labor; raw materials, because of the quantities used, are bought at the lowest prices; fewer traveling salesmen are required; advertising is less expensive.<sup>1</sup> All these savings the trusts have accomplished, though they have not ordinarily passed them on to the consumers. They have demonstrated, however, that the most economical and the most efficient methods of production can be carried on in large plants with large capital under the supervision of the most skilled managers.

One of the largest savings effected by the trusts has been in the utilization of by-products. In the pork-packing industry, for instance, every part of the animal goes to make some useful article; nothing is wasted. The hoofs, the horns, the blood, and the hair, serve as raw materials for important manufactures. Similarly in oil refining, in gas making, and in scores of other manufacturing industries important savings are made by utilizing by-products, which would be impossible if the plants were small and independent.<sup>2</sup>

The trusts have changed radically the relation of American industry to foreign markets. A generation ago the American manufacturer found it well nigh impossible to compete with foreign products in markets outside the United States. His expenses of production were

<sup>1</sup> J. W. Jenks, in *The Trust Problem*, p. 42, says: "It would seem that if there is any real economic function of combination of capital, whether it has attained monopolistic power or not, it is this: saving the various wastes of competition, in great part by providing for the direction of industrial energy to the best advantage."

<sup>2</sup> A few examples may be cited. Thus, the waste of the oil refining is transformed into such valuable by-products as perfumes, flavoring extracts, and mineral oils. The slag of iron furnaces is used as ballast in railroad building or as paving stones and slag-brick. Cotton seed is now transformed so that it may be used as fertilizer, paper, cattle feed, lubricating oil, or low grade olive oil.

too high, and his capital was too small. He knew little about foreign trade conditions, and until he was better equipped to enter the foreign field, he had no desire to know more. The trust, however, with its large capital and its economies in production placed the American manufacturer on an equal footing with his foreign competitor. The Standard Oil Company, for example, successfully competes with the great Russian oil companies in their home markets. Likewise the Steel Trust holds its own against similar English and German industries.

**341. Objections to the Trusts.**— In spite of the savings made by the trusts and their ability to compete in the foreign markets, the very nature of their organization makes them objectionable. First of all, they are monopolies, with more or less power to crush out competitors and to fix the prices of their product. The Standard



*By Courtesy of The Alabama Company, Birmingham, Alabama*

**Cooling Pig Iron in Trenches**

Oil Company, in particular, has been charged with mercilessly destroying independent refineries and with fixing the price of oil and gasoline with little regard for their cost. Second, the trusts for years appear to have enjoyed lower railroad rates than their competitors. Such discriminations are now illegal and, it is hoped, little practiced. Third, the trusts with their great wealth and influence have been charged with corrupting legislation by contributing funds to political campaigns, by maintaining legislative lobbies, and by bribery. Such abuses ought to be eliminated, for they restrain free competition and lead to monopoly. Nevertheless, much of the opposition to the trusts has been manifested for political purposes — that is, for gaining votes. Trusts have been generally unpopular; and in some sections of the country the easiest way to gain political success has been to denounce them.

**342. The Trusts and the Tariff.**— Soon after the trust movement had got under way, there arose a feeling that the tariff was “the mother of trusts,”— that is, that protection encouraged and fostered the development of the trusts. Naturally the friends of high tariff rates have denied the existence of such a close relationship. Mr. Havemeyer, head of the Sugar Trust, frankly stated, however, in 1899, that in his opinion the American trust owed much to the tariff. “The mother of all trusts is the customs tariff bill. . . . There probably is not an industry that requires a protection of more than 10 per cent ad valorem, and it is to obtain what is provided over such percentage in the tariff that leads to the formation of what are commonly spoken of as ‘trusts.’” Whatever the merits of the controversy may be, it cannot be denied that the trusts have had notable successes in protected industries.

#### IV. THE TARIFF

**343. Continuation of the War Tariffs.**— The war tariffs of 1862 and 1864 continued without important modification until 1890 when they were superseded by the McKinley Tariff Act. In 1872 the rates were reduced 10 per cent, only to be raised three years later to the old

level. Again in 1883 several inconsiderable changes were made in the rates. The small amount of tariff legislation enacted during this period might indicate that the subject was considered to be of little importance. Such, however, was not the case. The tariff was a leading issue in the presidential and congressional campaigns of the period. The Democrats demanded that the rates be lowered and that the free list be enlarged; the Republicans opposed the demand. The Democrats advanced three chief arguments for revision. First, the internal taxes on manufacturing establishments having been abolished, it was but proper that the tariff rates should be correspondingly lowered. Second, the accumulation of money in the treasury, which resulted from the tariff, not only endangered the prosperity of the country by withdrawing the medium of exchange from the regular channels of business, but it also encouraged extravagance in government expenditures. Finally, the Democrats argued that the manufacturers were enjoying a monopoly, as a result of the high tariff rates, at the expense of the rest of the people.

However valid these arguments may have been, the Democrats accomplished little, for during the first twenty years after the close of the war they were the minority party in the national government. In 1884, however, they elected their candidate for president, Grover Cleveland, on a platform pledged to revise the tariff rates. In his first two annual messages to Congress (1885 and 1886), President Cleveland urged tariff reform. Obtaining no response, he determined to adopt drastic measures; hence he devoted his entire third annual message (1887) to the tariff.<sup>1</sup> This was the signal for the most heated tariff debate, perhaps, that Congress had ever experienced. Each

<sup>1</sup> In this famous message demanding tariff revision he said: "Our progress toward a wise conclusion will not be improved by dwelling upon theories of protection and free trade. This savors too much of bandying epithets. It is a *condition* which confronts us, not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated. The question of free trade is absolutely irrelevant, and the persistent claim made in certain quarters that all the efforts to relieve the people from unjust and unnecessary taxation are schemes of so-called free traders is mischievous and far removed from any consideration for the public good." Reprinted in Richardson's *Messages and Papers of the Presidents*, vol. VIII, p. 590.

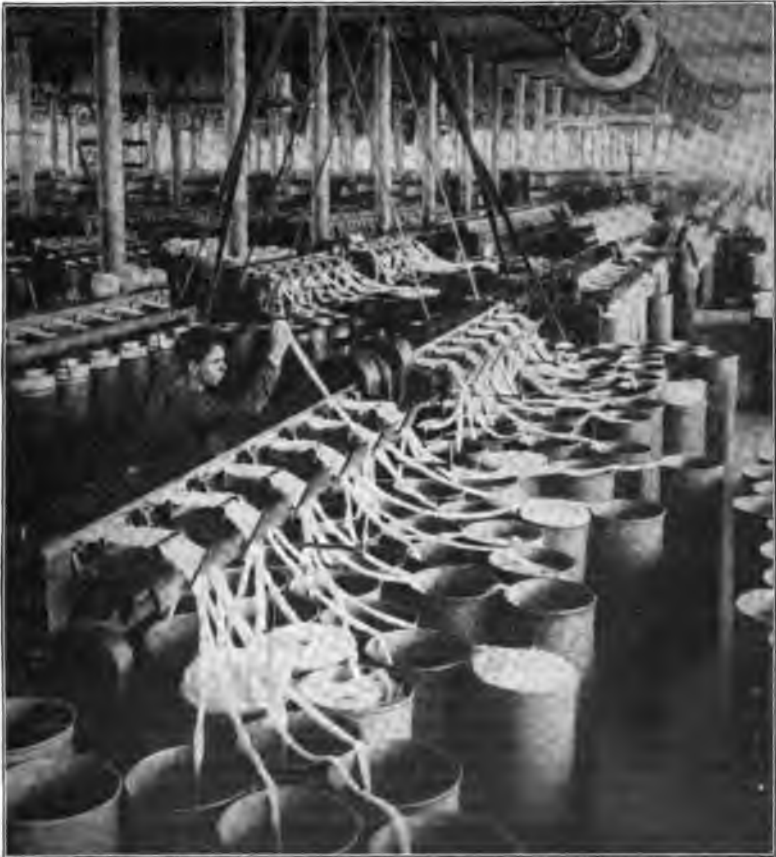
side had its giants. Among the Republicans were Thomas B. Reed of Maine, William McKinley of Ohio, Julius Burrows of Michigan and William D. Kelley of Pennsylvania. The leading Democrats were John G. Carlisle of Kentucky, Samuel S. Cox of New York, Benton McMillin of Tennessee and William L. Wilson of West Virginia. The debate waxed bitter as well as brilliant. The contest ended in a draw, the Republican Senate refusing to agree to a reduction in rates.

**344. The McKinley Tariff Law.**—The Republicans were successful in the campaign of 1888, electing their candidate for president, Benjamin Harrison of Indiana, over Mr. Cleveland. At the same time they returned a majority to both houses of Congress. The next year (1889) they took up the tariff question. William McKinley of Ohio as chairman of the Ways and Means Committee in the House, brought forward a tariff bill, which embodied a high measure of protection for American manufactures. In spite of the opposition of the Democrats the bill passed both houses and became a law. Two features of the act deserve attention. A high tariff was placed on tin plate, and a bounty was provided for the manufacturers of American sugar.

The people apparently were unwilling to pay an additional tax in the form of a tariff. In the elections of that year (1890), the Republicans met unexpected defeat. Even Mr. McKinley failed for re-election. The next two years saw the Democratic landslide complete. In 1892 Mr. Cleveland was elected president a second time after having been out of office for four years,—no other president of the United States has been elected under similar circumstances. Besides, the Democrats made their victory complete by electing a majority of both houses. Thus for the first time since the Civil War they were in control of both the legislative and executive departments.

**345. A Free-Trade Tariff.**—The victories of 1890 and 1892 naturally led the Democrats to conclude that the people desired a reduction of the tariff rates. Accordingly, they enacted the Wilson Tariff Law, which took its name from William L. Wilson, chairman of the

Ways and Means Committee. The act resembled somewhat the old "Abomination" tariff of 1828, in that it appeared to suit no one person or interest. Even the President, disgusted with the half-way measures of the bill, refused to sign it, allowing it to become a law without his signature. In addition to lowering the rates on imports, the



*Copyright by Underwood & Underwood*

**Drawing Frames in Olympian Cotton Mills (1200 operatives),  
Columbia, South Carolina**

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Wilson Act provided for a tax on incomes. This provision the Supreme Court soon after declared unconstitutional. Again the people repudiated the acts of their representatives. At least they refused to continue the Democrats in power. In the Congressional elections of 1894, the Republicans were victorious by large majorities. Two years later (1896) they won the presidential election on several issues, one of which was the tariff. Mr. McKinley was chosen President over William J. Bryan of Nebraska.

**346. A Return to Protection.**— Once more in control of the government the Republicans set about to revise the tariff rates. Accordingly, in 1897, they enacted the Dingley Tariff Law, which embodied the highest degree of protection the manufacturers have ever enjoyed. At about this time prices began to rise, business flourished, and the country was generally prosperous. The Republicans attributed the good times to the Dingley Tariff. The people, perhaps, held the same opinion, for they re-elected President McKinley in 1900, elected Theodore Roosevelt (Republican) president in 1904, and William H. Taft (Republican) president in 1908. There was, however, a growing conviction that some of the higher rates in the Dingley Tariff ought to be reduced. In the campaign of 1908, both parties were pledged to revision. The next year a Republican Congress enacted the Payne-Aldrich Tariff Law, which reduced some rates and raised others. On the whole, the revision was unsatisfactory.<sup>1</sup> The new tariff law created considerable unrest, particularly in the Republican party itself.

<sup>1</sup> An expert writing for the *Review of Reviews* describes the tariff changes thus: "Summing up the changes made in the tariff as shown in the various Senate documents, the new act has increased the Dingley rates in 300 instances, while reducing them in 584 cases. The increases affect commodities imported in 1907 to the value of at least \$105,844,201, while the reductions affect not more than \$132,141,074 worth of imports. Four hundred and forty-seven million dollars worth of imports (on the basis of 1907) remain subject to the same duties as under the Dingley tariff. That is to say, 65 per cent of the total imports remain subject to the old rates, more than 15 per cent of the total will be subject to higher duties, the average increase amounting to 31 per cent over the Dingley rates; and less than 20 per cent of the imports are to be subject to lower duties, the reduction being estimated about 23 per cent below the Dingley rates." *Review of Reviews*, vol. 40 (1909), p. 346.

**347. A Democratic Tariff.**—The differences in the Republican ranks over the Payne-Aldrich Tariff combined with other differences to force a split in the party. In the campaign of 1912 President Taft was the Republican candidate, Theodore Roosevelt the Progressive candidate, while Woodrow Wilson was the choice of the Democrats. The Democrats elected Wilson—their third presidential victory since the Civil War—and secured control of both houses of Congress. Once more they prepared to lower tariff rates. The result was the Underwood-Simmons Tariff Bill, which President Wilson signed in 1914. The new tariff reduced the rates on many imports and provided a large free list. The loss in the revenues resulting from the lowering of rates was made up by a tax on incomes. The objection which the Supreme Court had made to such a tax twenty years before was now invalid, for in the meantime a constitutional amendment, which empowered Congress to lay an income tax, had been adopted.<sup>1</sup>

Hardly had the new law become operative when the European war upset the country's foreign trade. Tariff revenues declined so much that an emergency tax was necessary to prevent a deficit in the treasury. Normal condition in the foreign trade must again be restored before the people can make a fair estimate of the merits of the Underwood-Simmons Tariff.

**348. Scientific Tariff Making.**—The very nature of the tariff makes it more or less a local issue,—that is, each section of the country is inclined to desire protection for its own particular industries to the exclusion of all other industries. For that reason tariff bills have usually been the result of compromise. To eliminate selfish local interests, the proposal has often been made that Congress provide a non-partisan commission, or board, to decide on rates. Three such boards have been appointed. The First Tariff Commission investigated the subject in 1882 and reported to Congress. The Payne-Aldrich Act of 1909 also provided for a Tariff Board, which served until early in President Wilson's first administration. Both of the

<sup>1</sup> The Sixteenth amendment reads: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."



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leading political parties, the Democrats and the Republicans, declared in their platforms of 1916 for a non-partisan tariff commission. The next year (1917) such a commission was created. Its effectiveness depends largely on the willingness of Congress to follow its advice in making tariff rates.

### ORAL AND WRITTEN EXERCISES

1. Where are the most important manufacturing regions in the United States?
  2. What forces have caused rapid growth of American manufactures?
  3. Name the leading manufactures in 1910.
  4. Why is New York City an important manufacturing center?
  5. Why were American manufacturers formerly unable to compete in foreign markets?
  6. What is the average working day in manufacturing establishments?
  7. What advantages has the corporate form of management?
  8. Locate the chief coal regions, iron ore regions, copper ore regions.
  9. Why has mining often been monopolized?
  10. What is a trust? Why so named? Do trusts exist at the present time?
  11. How did the Standard Oil Company eliminate competition?
  12. What economies have trusts effected?
  13. What has been the relation of the trust movement to foreign trade?
  14. How, according to some views, has protection aided the trusts?
  15. What was the relation between the War Tariffs and internal taxes?
  16. What arguments did the Democrats advance for reducing tariff rates?
  17. Who took part in the "Great Debate" of 1888?
  18. What two features characterized the McKinley Tariff Act?
  19. What was the effect of the McKinley Tariff Act on the election of 1890?
  20. Why was the income tax of 1894 declared unconstitutional?
  21. What was the Dingley Tariff Act?
  22. How did the Payne-Aldrich Tariff Act affect tariff rates?
  23. How did the Democrats change the tariff in 1914?
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24. Suggested topics for oral or written reports:  
The Trust Movement.  
Scientific Tariff Making.

**25. Important dates:**

1882 — Organization of the Standard Oil Trust.

1882 — First Tariff Commission.

1890 — McKinley Tariff Act.

1894 — Wilson Tariff Act.

1897 — Dingley Tariff Act.

1909 — Payne-Aldrich Tariff Act.

1914 — Underwood-Simmons Tariff Act.

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## CHAPTER XXIII

### EXPANSION OF AGRICULTURE

1880-1917

#### I. GROWTH OF AGRICULTURE

**349. Extent and Character of Growth.**—The farmer as well as the manufacturer has prospered during the past generation, especially since prices began to rise in 1896. One “bumper” crop has followed another. Land values have doubled and trebled; in many localities the increase has been ten and even twenty-fold. Prices of foodstuffs have steadily risen. Corn and wheat, hogs and cattle, butter and eggs never commanded more in exchange than they have during the past decade.<sup>1</sup> Between 1880 and 1910 the number of farms increased more than 58 per cent, the area of land in farms about 63 per cent, and the value of farm property almost 250 per cent. During the same period the value of the average farm more than doubled, though its size increased only from 133.7 acres to 138.1 acres. In 1909 the total value of all farm crops exceeded five billion dollars, which was an

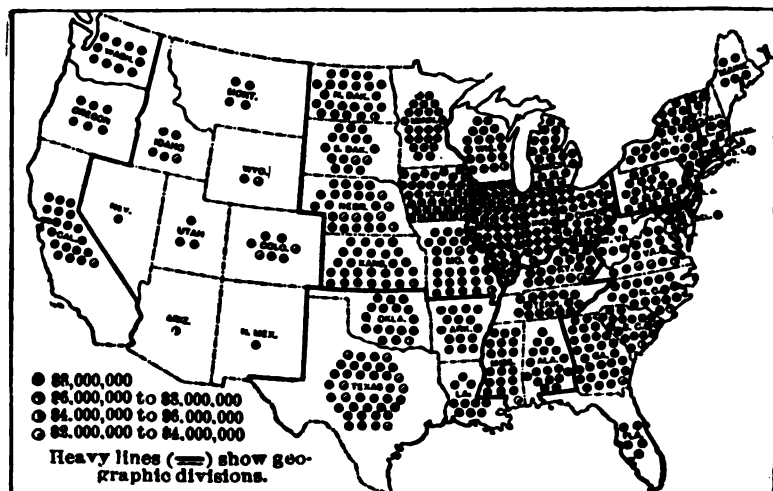
<sup>1</sup> The following table shows the rise in prices of several important agricultural articles during the decade 1899-1909.

	Unit	1899	1909	Increase Per Cent
Corn . . . . .	Bushel	\$ .31061	\$ .56365	81.5
Oats . . . . .	Bushel	.23013	.41176	78.9
Wheat . . . . .	Bushel	.56177	.96236	71.3
Rice . . . . .	Bushel	.70306	.73355	4.3
Dry edible beans . . . . .	Bushel	1.50729	1.93504	28.5
Hay and forage . . . . .	Ton	6.11035	8.45534	38.4
Sugar beets . . . . .	Ton	4.18885	5.05503	20.7
Sorghum cane . . . . .	Ton	3.19526	6.17659	93.3
Cotton . . . . .	Bale	33.95575	66.07208	94.6
Potatoes . . . . .	Bushel	.35995	.42761	18.8
Sweet potatoes and yams . . . . .	Bushel	.46733	.59814	28.0
Orchard fruits . . . . .	Bushel	.39437	.65191	65.3

increase of 83 per cent over the crop of 1899.<sup>1</sup> Since 1909 the increase has been even greater.

**350. Leading Agricultural Crops.**— Though the acreage and quantities of all kinds of agricultural products greatly increased after 1880, there have been slight changes in the relative importance of the lead-

VALUE OF AGRICULTURAL CROPS (By States), 1909



The extent to which agriculture generally prevails throughout the United States is shown on this map. Note particularly the importance of the Mississippi Valley in agriculture.

ing crops. Corn continues to hold first place, after which, in the order named, come hay and forage, cotton, wheat, oats, potatoes, orchard fruits, and tobacco. Each of these crops is more or less localized in particular sections of the country. The upper Missis-

<sup>1</sup> The value of all crops in 1909 was \$5,487,161,000; in 1899 the value was \$2,998,704,000. The increase was 83 per cent. The leading states in the value of crops for 1909 were: Illinois, Iowa, Texas, Ohio, Georgia, and Missouri. The per capita value of crops in 1909 based on the population of April 15, 1910, was \$59.66; the per capita value of crops in 1899 based on the population of June 1, 1900, was \$39.46. There was thus an increase of 51.2 per cent. The increase in the value of crops per farm was 65 per cent or from \$523 in 1899 to \$863 in 1909.

## EXPANSION OF AGRICULTURE

Mississippi Valley is the great corn belt; the South produces the cotton; Minnesota, the Dakotas, and Kansas lead in the production of wheat; the chief hay and forage regions are in the New England and middle states and in the Far West; potatoes are grown chiefly in New York, Michigan, and Wisconsin, and tobacco in Kentucky and Virginia. In 1909 corn led all other agricultural crops in fifteen states, cotton in eight states, wheat in four states, and hay and forage in twenty-one states. No other crop occupied first place in any one of the states. Thus, for example, Florida produced more corn than oranges; Kentucky or Virginia, more corn than tobacco.<sup>1</sup>

LEADING AGRICULTURAL CROPS, 1879, 1889, 1899, 1909.

CROP	ACREAGE (ooo Omitted)				PRODUCTION (ooo Omitted)			
	1879	1889	1899	1909	1879	1889	1899	1909
Corn	62,368	72,087	94,913	98,382	1,754,591 (bu.)	2,122,327 (bu.)	2,666,324 (bu.)	2,552,189 (bu.)
Wheat	35,430	33,579	52,588	44,262	459,483 (bu.)	468,373 (bu.)	658,534 (bu.)	683,379 (bu.)
Hay & Forage	30,631	52,948	61,691	72,280	35,150 (tons)	66,831 (tons)	79,251 (tons)	97,453 (tons)
Cotton	14,480	20,175	24,275	32,043	5,755 (bales)	7,472 (bales)	9,534 (bales)	10,649 (bales)

**351. Market Gardening and Fruit.**—An important development in agriculture since the close of the Civil War has been the extension of the areas devoted to market gardening and fruit. Until recently the selling of fruit and vegetables was necessarily confined to the localities where they were grown. New York, for example, depended almost entirely on the gardens and orchards in the immediate vicinity. Refrigerator cars and fast freights have revolutionized the industry by permitting its development in regions remote from the markets. Berries and vegetables are now grown extensively in the South for northern markets, though the leading states in the production of small fruits are New Jersey, New York, and Michigan. As a result,

<sup>1</sup> In California the combined values of fruit and nuts exceeded the value of hay and forage; similarly in Florida, corn was second to fruit and nuts combined.

their prices have been lowered, and their consumption has become greater and more general. The same improvements in transportation, by lowering prices, has caused sub-tropical fruits to be more widely used. Bananas, for example, which were a luxury for most people a generation ago, are now consumed in large quantities by all classes.<sup>1</sup>

**352. Dairying and Live Stock.**— Similar to the growth of gardening and fruit culture, and largely for the same reasons, has been the growth of dairying and live-stock raising. Fast freights make it possible to collect the milk supply for any city from a relatively large surrounding area. Moreover, the canning of condensed milk and evaporated cream has tended to push the dairying regions yet farther from the cities. The chief dairying centers are in central New York, southeastern Pennsylvania, northern Illinois, and southern Wisconsin. During the year 1909 the dairy cows of the country produced six billion gallons of milk. The butter produced for the year was almost a billion pounds. If to these amounts are added the millions of gallons of milk and pounds of butter not enumerated in the census, the figures become considerably larger.

PRODUCTION OF CHIEF DAIRY REGIONS, 1910

State	Number of Dairy Cattle	Value	Milk Produced 1909 (gallons)
New York . . . . .	1,509,594	\$69,110,608	783,479,286
Wisconsin . . . . .	1,473,505	50,910,735	667,497,765
Iowa . . . . .	1,406,792	48,651,418	480,563,616
Minnesota . . . . .	1,085,388	33,276,653	409,191,276
Illinois . . . . .	1,050,223	41,189,997	359,934,071

Refrigerator cars permit slaughtering and meat packing to concentrate near the feeding centers. Thus Chicago, Kansas City (Kansas), South Omaha, Indianapolis, and St. Louis, which lie in the great corn belt, slaughter something like one-half of the animals marketed for that purpose. The best evidence of the concentration of the slaughtering business in large plants is the general practice of packers to supply, from their refrigerator cars, local meat markets with fresh meats; a few years ago each market did its own slaughtering.

<sup>1</sup> Several railroads have their regular "banana trains." One road often handles 300 car loads of bananas in a day.

In preparing cattle for the market, the custom has arisen to ship range cattle to a corn producing region, like Iowa, to be fattened.

**353. Other Important Farm Animals.**—The American farmer gives a great deal of attention to farm animals other than cattle. In fact, there are few farms on which swine or horses are not raised for sale. More and more the idea is coming to prevail that much of the grain ought to be shipped off the farm in the form of live stock. The increase in the number of swine, since 1890 has been slight; during the decade 1899-1909, in fact, there was a decrease of several million. Some authorities attribute the high price of pork to this decrease. The value of horses on the farms exceeds the combined value of both



*Copyright by Underwood & Underwood*

Sheep-raising is still an important industry in the Ohio Valley.

cattle and swine; the number of horses has grown rapidly since 1880, and, in spite of the increasing use of automobiles as a means of travel and transportation, the average value of horses during the past fifteen years has more than doubled. The same is true of mules, which continue to be the chief work animals in the South. The sheep-raising industry has migrated from the high priced lands of the Central West to the cheap lands of the Far West. It has also changed from a small-farm industry, as it was formerly carried on in the Ohio Valley, to a ranching industry.<sup>1</sup> In 1880 Ohio and California led all other states in sheep production. Thirty years later Wyoming and Montana occupied first place. Ohio, California, and Michigan, however, continue to be important sheep-raising states.

**354. Poultry and Eggs.**—Of all the operations carried on by the American farmer, the raising of poultry brings the largest returns with the least direct labor. It was, and to a decreased extent is yet, a sort of collateral undertaking, or mere incident in general farming, conducted by the farmer's wife. Here and there, chicken farms are being operated, some on a relatively large scale. The general farmer, however, continues to produce the great bulk of the poultry and eggs marketed; and his most notable advance in the industry during the past decade has been along the lines of improving breeds and providing better shelter. To the individual farmer the animal value of the poultry and eggs produced on his farm may appear small and even go unnoticed, yet the aggregate value mounts high. Ohio, for example, boasted of a thirty million dollar wheat crop in 1909, yet the value of the poultry and eggs produced in that state during the same year was approximately as great. Considering the country as a whole, the poultry and egg "crop" is worth more than the combined crops of potatoes, tobacco, and orchard fruits; it exceeds the oats crop in value by several million dollars; and is equal to two-thirds of the wheat crop. In 1909 it totaled \$436,548,836. The number of eggs produced exceeded fifteen billion. This spread of the poultry and

<sup>1</sup> Sheep ranching was for many years opposed by cattle-ranch owners and cowboys, and the sheep herder was despised by the cattle men.



egg industry has done more than merely add to the aggregate production of agriculture; it has, by providing farmers' wives with ready money, made them less dependent and stimulated in them a desire to assume more active management of affairs.

## II. IMPROVEMENTS IN AGRICULTURE

**355. Agricultural Education.**—An important factor in agricultural progress since the Civil War has been agricultural education.



Lecturer of Extension Division of Michigan Agricultural College talking to group of farmers on demonstration trip through the state.

While the conflict between the North and South was yet raging, Congress provided for the establishment of so-called "land-grant" colleges in which scientific farming was to be taught. The states accepted the grants of land, and set about to educate men for the farms.<sup>1</sup> Neither the states nor the national government stopped with

<sup>1</sup> Several of these colleges have since become state universities.

merely providing institutions of learning where one might, if he felt so inclined, learn the underlying principles of agriculture. In addition they have carried the gospel of better farming to all sections of the country: experimental farms and plots are maintained; bulletins embodying the results of the latest experiments are circulated by the millions of copies; winter "short courses" in agriculture are held at which the farmer and his sons — and even his daughters — work side by side for two or three weeks each year, endeavoring to learn better



Testing Use of Fertilizer at State College, Pennsylvania

Ground limestone was used on plot at left; "complete" fertilizer of dried blood, ground bone, and muriate of potash on center plot; nothing on plot at right. The three plots yielded, respectively: left, 1840 lbs. per acre; center, 4640 lbs. per acre; right, 1320 lbs. per acre.

methods of conducting the farm and the farm home. Not content with these efforts, agricultural colleges often send out "demonstration cars," thus bringing the college to the people. Each car carries several specialists who demonstrate to the farmers, for example, the best methods of selecting seed corn or of draining the soil. State and

county agricultural societies also perform a valuable service in bringing the farmers together in small groups where matters pertaining to farming are discussed by the farmers themselves, or by specialists sent out by agricultural colleges. The county fair still maintains its popularity, though in many sections it has lessened its emphasis on exhibits of crops and fine stock.<sup>1</sup> Other means of spreading agricultural education might be mentioned, but the foregoing serve to show the keen interest manifested in the subject by the government as well as by private individuals.

**356. Improved Machinery.**—Together with the spread of agricultural education have gone improvements in agricultural machinery. Before the Civil War a great deal of the farming operations was done by hand. True, there were plows and harrows and other implements of a like nature, yet the improvements in machinery which later characterized agriculture had merely started. In commenting on the types of agricultural machinery in use prior to 1860, an eminent authority, Charles L. Flint, says: "The old cast iron plows were in general use. Grass was mowed with the scythe, and grain was cut with the sickle or cradle and thrashed with the flail. The cost of the simple farm machinery then in use was relatively much higher than at the present time. The last half century has witnessed a revolution in agricultural methods, and the new implements and machinery introduced would require more than a page to catalogue." When the war broke out, the average value of implements and machinery on each acre of farm land was sixty cents. Forty years later it was ninety cents. In 1910 it was \$1.44. The increase in the amount of machinery and its effects on agriculture have been even greater than the value per acre or per farm indicates, for improved methods of manufacture permit the making of all kinds of implements at much less cost than was the case a generation ago.

Improvements in machinery have robbed the grain farms of much of the hard and disagreeable labor of a half century ago. In many sections, gang plows drawn by gasoline or steam tractors prepare the

<sup>1</sup> State fairs are becoming more popular, and inasmuch as they stress farm exhibits they give a great deal of encouragement to agriculture.

ground for seeding. Corn planters and wheat drills drop the seed quickly and with mathematical regularity. Riding cultivators permit the "tending" of relatively large areas of corn on each farm with little of the irksomeness of a generation ago. The binder makes the harvesting of wheat and oats almost child's play compared with the old hand methods. Corn cutters, corn shredders, and corn shellers have also lightened the labor. Such illustrations of labor-saving machinery on the farm might be multiplied many times. From the standpoint of the consumer the most important effect of improvement in farm machinery has been to cheapen farm products, or at least to prevent prices from rising higher than they otherwise would have risen.

In spite of progress of agricultural education and of improvements in machinery, however, the farmers in some sections of the country have advanced but slowly. In the South, where the crops require hand labor, and where many of the farmers are negro tenants, machinery has necessarily had less effect on agriculture than in the North. Similarly in those regions, both North and South, where the surface is very rough or the soil is thin, the farmers have not fully profited by the improvements in machinery.

**357. Conservation.**—An important present-day problem in agriculture concerns soil conservation and soil restoration. Until recently the typical American farmer, in cropping his land, laid undue stress on products that would bring the largest returns in the shortest possible time — at the expense, of course, of future generations. Millions of acres of land were quickly exhausted in raising "single" crops of corn, wheat, cotton, or tobacco. Rotation of crops received scant attention. Grain farmers considered straw and stalks as a nuisance, fit only to be burned. On thousands of farms the natural manures were allowed to rot in the barnyards.' The exhaustion of the supply of fertile public lands compelled a change in farming methods. The old practice of abandoning land as soon as it had been robbed of its fertility and of moving on to new land had to be given up. Consequently, scientists and far-sighted owners of land undertook not

only to preserve the fertility of good soil, but also to restore it to exhausted soil as far as possible by rotating crops, by feeding live stock on grain farms, and by using commercial fertilizer. The leaders in this movement have been the agricultural colleges, the experimental stations, and the Department of Agriculture at Washington.

The problem of conservation, however, does not stop at preserving the fertility of the soil: it embraces all forms of natural resources —



Agricultural Building, Washington, D. C.

From this building the Government directs its work in furthering the agricultural interest of the country.

minerals, forests, and water. The American people have wasted their rich inheritance of forests, and, unless the present tendencies change, they may prematurely impair their mineral wealth. Millions of acres of land that once bore magnificent forests are now barren and unproductive. "We take from our forests each year, not counting the loss by fire, three and one-half times their yearly growth. We take 40 cubic feet per acre for each 12 cubic feet grown; we take

260 cubic feet per capita, while Germany uses 37 cubic feet and France 25 cubic feet."

**358. Irrigation.**—In sharp contrast to this wasteful exploitation, are the attempts of the people to utilize the arid lands of the Far West by artificial means. The first Spanish explorers in that region found the Indians practicing irrigation. To the Mormons, however, is usually given the credit of demonstrating its value in reclaiming arid land. "In 1870 the first colony of any considerable size depending on irrigated agriculture, aside from the Mormon Colony [in Utah], was founded at Greeley, Colo., under the patronage of Horace Greeley." Later, private enterprises, many of which failed, undertook irrigation on a large scale. The national government in 1894, granted 1,000,000 acres of arid land to each of the states in which such land was situated on condition that the state provide for its irrigation. Eight years later (1902), Congress provided for the construction of irrigation works at the expense of the federal government. As a result of the various schemes for making the arid lands of the Far West arable, more than thirteen million acres — an area almost as large as West Virginia — have been irrigated at a cost of three hundred million dollars. The possibilities of irrigation can hardly be over estimated. Hundreds of millions of acres will become productive as soon as water can be supplied. Farther east in the states of Texas, Louisiana, and Arkansas, a million acres of irrigated land are devoted to rice growing.

**359. Co-operation in Selling, and Rural Credits.**—In spite of the farmers' prosperity the opinion prevails that their operations might be made more profitable, both to themselves and to the consumers, if better methods of selling crops could be devised, and longer credits on farm loans be secured. To eliminate the middle man, co-operative associations of various kinds have been organized among the farmers. Fruit and vegetable growers' associations, and co-operative dairies and grain elevators have succeeded in many cases in securing for their members much of the profit that had formerly gone to commission merchants and brokers. Co-operative plans, such as these, appeal to the general public, for their successful operation would undoubtedly

lower the prices of food-stuffs. As yet, however, the great bulk of agricultural crops is marketed in the ordinary way, through middlemen.

The development of rural credits is important because the short term for which money is usually loaned is often not adapted to the farmer's needs. For that reason it has been proposed to establish a government fund from which the owners of agricultural land might borrow for a long term, as twenty-five or fifty years. The long term feature is essential to many farm loans. Farmers borrow in order to make permanent improvements, or to bring unimproved land under cultivation. In either case, the benefits arising from the loan last many years. It is urged, therefore, that the repayment of a loan used for such purpose ought not to be exacted in three or five years as is now the general practice. To that end Congress provided in 1916 for a farm-loan board which should have charge of funds to be loaned to farmers on liberal terms of credit, both in the way of interest and of the time of payment. The first loan under this law was reported to have been made April 10, 1917.

### III. COUNTRY LIFE

360. **The Exodus to the Towns.**—A marked characteristic of country life during the past generation has been the exodus of millions of boys and girls from the farms to the cities and towns. Many and varied are the causes of this movement. Too often, farm work has been an endless round of drudgery, repeating year after year the same operations with little thought of improvement. Such rule-of-thumb methods deadened the ambition possessed by normal boys, and tended to make them dissatisfied not only with conditions, but also with farm life itself. Industrially, the outlook was unpromising. City craftsmen, and even day laborers, appeared to the farm boy to hold a better industrial footing than the independent farmer. As bad, if not worse, were the social and intellectual sides of life. Until recently the typical farm home was isolated. Even yet its conveniences are few and its surroundings frequently uninviting. For these reasons

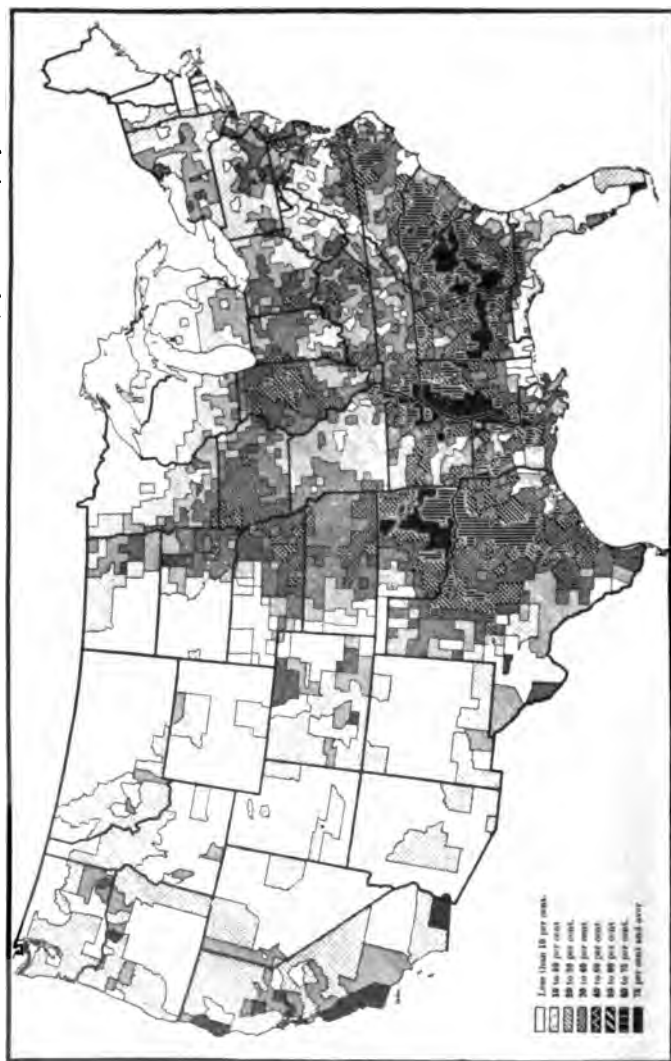
the social instincts of the young people have often been starved. The country school which turned out so many great men — chiefly because the men of the past had no other school to attend — has made slight progress compared with the progress of city schools. It is little wonder then that farmers have moved to town to educate their children, and that the children of farmers have gone to the cities literally in droves to work for daily wages, leaving behind them the fertile fields ready to yield up their wealth.

This exodus to the towns has made country conditions worse instead of bettering them. Large areas of farm land have fallen into the hands of tenants many of whom have not sufficient capital or skill to cultivate it to the best advantage. The schools have declined in importance, both as educational and social centers; in thousands of them the average daily attendance has fallen below five. Even the country church has felt the influence of the movement, so much so that the abandoned country church building is a familiar sight in all the older states.

**361. Farm Tenancy.**— Farm tenancy as a phase of country life has excited considerable discussion during the past twenty years. Many people believe that the system will eventually result in "absentee landlordism" such as prevails in several countries of Europe. To get at the exact facts government officials made a careful investigation of the subject in 1900. The report based on the investigation showed (1) that few landlords owned more than one farm each, (2) that the typical landlord resided in the immediate neighborhood of his land, (3) that few landlords resided in foreign countries, (4) that many of the landlords were related to their respective tenants. From these facts we may conclude that many of the landlords are retired farmers, who have removed to a neighboring town to spend their declining days, or farmers who have turned over the active management of their farms to sons or other relatives. The rapid increase in farm tenancy has undoubtedly created important rural problems. The tenant is likely to have less interest in the welfare of the community and to exhaust the soil more quickly than he would if he owned



PERCENTAGE OF FARMS OPERATED BY TENANTS (By Counties), 1910



Notice the heavily tenanted sections in the South and Middle West; also the relatively small number in the Far West where almost every farmer owns the land he cultivates.

the land he cultivated. On the other hand, tenancy may have its merits. It may be but one of the natural steps to ownership, and inasmuch as a majority of tenant farmers are young or middle aged men, we may well believe that they will sooner or later become owners. In the South, negro tenancy has been an inevitable consequence of the slavery system. While the number of negro tenants increases year by year, it is gratifying to see also that the number of negro owners increases.

**362. The New Country Life.**— Many forces are working to adjust country life to twentieth century conditions. The telephone, rural mail delivery, and automobile, assist in bringing farmers into closer contact with each other and with the townspeople. The same forces make farming more profitable. Daily or weekly market reports by mail or telephone give advantages in marketing formerly impossible, and stimulate the farmer to give more attention to the selling side of his business. Drudgery on many farms has been greatly lessened, if not entirely eliminated, by labor-saving machinery. On the more up-to-date farms, gasoline engines furnish power for shelling corn, pumping water, churning butter, washing clothing, and for many other operations exceedingly irksome when done by hand. The



*By Courtesy of International Harvester Company.*

Forty binders at work on large wheat farm in Iowa

most fundamental change industrially has been in the attitude of the farmer toward farming. More and more, farming is coming to be looked on as a business that requires not only "sun to sun labor," but also skillful and intelligent management. As a result, farm boys will soon learn that the land requires as careful attention to business details as the store or shop. Then they will have less desire to go to town.

Equally promising is the outlook on the new social and intellectual side of country life. Farm houses are becoming more comfortable, and their surroundings more inviting. The automobile has brought town and country together. The country school is being slowly transformed: better buildings, more efficient teachers, and consolidated schools are signs of progress. Church union in country districts bids fair to solve the country church problem.

#### ORAL AND WRITTEN EXERCISES

1. Locate the desert lands of the Far West.
  2. Where are the dairying regions?
- 
3. What has caused a rise in the value of farm lands since 1880?
  4. What were the leading agricultural crops in 1909?
  5. Why has the South taken up market gardening?
  6. Account for the growth of the packing industry in Kansas City and Omaha.
  7. What changes have occurred in sheep-raising?
  8. Why is the poultry and egg "crop" often overlooked?
  9. What were the land-grant colleges?
  10. How do county and state fairs aid in agricultural improvements?
  11. Why has the use of agricultural machinery not been general in the South?
  12. Name and describe the more important agricultural machines.
  13. Why is co-operation desired by farmers?
  14. Why do farmers desire longer credits?
- 
15. Suggested topics for oral or written reports:  
Effects of Agricultural Education.  
The Problem of Conservation.

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CHAPTER XXIV  
TRADE, TRANSPORTATION, AND COMMUNICATION  
1880-1917

I. FOREIGN COMMERCE AND THE FISHERIES

363. **Growth of Foreign Commerce.**—Two important movements have developed in the country's foreign trade since 1880. First, the combined value of exports and imports has increased 300 per cent, from less than one and a half billion dollars in 1880 to more than six billion dollars in 1916. The same period saw notable changes in the character of the commodities entering into foreign commerce. In 1880 agricultural products made up 84 per cent of the total domestic exports, 75 per cent in 1890, 62 per cent in 1900, 51 per cent in 1910, and 48 per cent in 1914. It ought to be noted, however, that there has been a gratifying increase in agricultural exports, though their *relative* importance has declined. The value of manufactured exports, on the other hand, has grown rapidly, relatively as well as absolutely. That is, the rate of increase in the value of manufactured goods exported to foreign countries has been greater than the rate of increase in the value of all exports. Products of the forest, the fisheries, and the mines have also entered more and more into the export trade. This change in the character of exports has been highly significant. Interpreted properly, it means that the United States, while continuing to be the leading agricultural nation, has, within a generation, boldly entered the markets of the world as a producer of manufactured goods. As a result, American steel, petroleum, agricultural implements, cloth, not to mention flour, meat, and lumber, now compete in the European markets with the products of the older countries. The entry of manufactured goods into foreign trade has been stimulated, if indeed it has not been made possible, by the organization of huge trusts, by a greater endeavor on the part of the national government to study

foreign markets, and by the increase in capital of American banks. A generation ago such a development would have been impossible. The capital of the typical manufacturing plant was inadequate for entering foreign trade on a large scale, and the government gave little attention to market conditions abroad. Besides, only a few commercial banks of the country had intimate connection with foreign banking houses.

**364. The Merchant Marine.**—The second movement in the country's foreign trade concerns the merchant marine. The decline of the ocean-going merchant marine during the Civil War and for fifteen years after its close has been noted in a previous chapter. This decline continued during the next thirty years, until in 1912 less than 10 per cent of the country's foreign commerce on the sea was carried in American vessels. In short, while the value of imports and exports had trebled since 1880, American vessels carried scarcely any more goods in 1914 than they had carried a generation before. In this connection, however, several important facts and tendencies need to be noted. First, the absolute number of tons of American vessels engaged in foreign commerce has been slowly increasing since 1898. Second, the tonnage of vessels engaged in coastwise trade, all of which are American, has almost trebled since 1880.

The merchant marine problem involves more than a mere increase in the number and tonnage of vessels in which the country's exports and imports may be carried, though this is an important consideration. First, ocean-going vessels, if properly constructed, are capable of rendering valuable assistance in time of war. For that reason, appeal after appeal has been sent to Congress, urging that body to encourage ship-building by granting subsidies to ship owners. Second, it is claimed that foreign ship-companies discriminate against American goods. Consequently American manufacturers have agitated the revival of the merchant marine. Third, the argument is advanced that the standing of the United States the world over, but more particularly in the Orient, would be raised if the American flag were displayed oftener at the mast heads of ocean-going vessels.

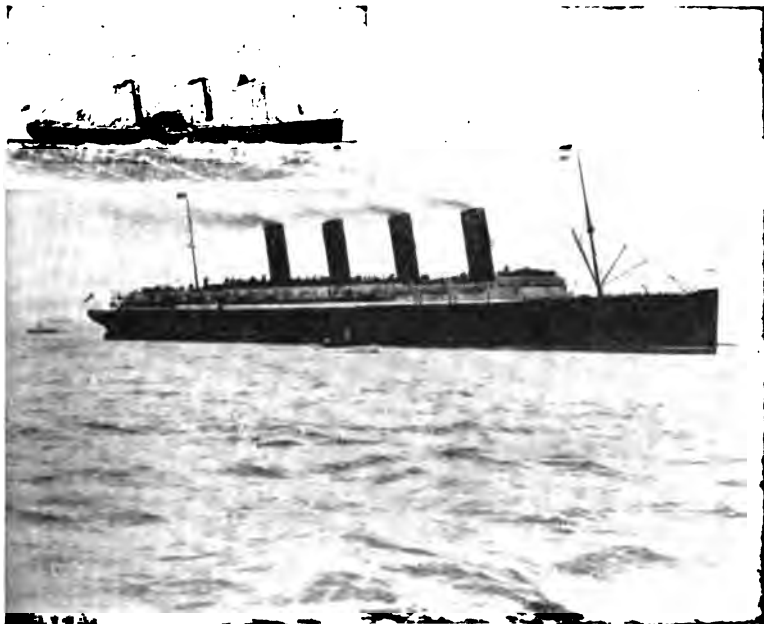
The government, however, has done little to encourage ship-building. It has subsidized ship-lines chiefly in order to improve mail facilities between the United States and foreign ports. In 1916 the Ship Registry Act provided that American citizens might engage in foreign trade with foreign-built vessels carrying the American flag.

**365. The Balance of Trade.**— To many, the most important phase of foreign commerce is the balance of trade. For years the people of the United States imported more than they exported, thereby creating a huge debt of several billion dollars in favor of foreigners. About 1880, however, exports began to exceed imports, and since that time there have been but four years (1888, 1889, 1893, and 1895) in which the value of imports was the greater. During the European war the balance of trade in favor of the United States has exceeded a billion dollars a year.<sup>1</sup> The opinion is generally held that the excess of exports over imports is received by the citizens of the United States in the form of money. Such, however, is not the case. It goes to pay interest on debts already contracted in Europe, to pay the expenses of American tourists abroad, and to pay drafts sent home by foreigners residing in the United States. These three items alone total more than a half billion dollars annually. The European war has tended to decrease this expenditure. Its heavy demands for munitions have caused portions of the American debts in England and France to be paid. It has temporarily put an end to tourists' expenditures, and, by checking immigration, lessened the amount of remittances sent home by foreigners.

**366. Promotion of Foreign Trade.**— An important factor in the growth of foreign commerce during the past twenty years has been the activity of the national government, through its foreign consuls, in studying trade conditions abroad and in seeking new foreign markets for American products. The result of this activity is that American manufacturers and exporters secure, through the government, up-to-date information on foreign trade conditions. Unfortunately, how-

<sup>1</sup> For the fiscal year ending June 30, 1916, the value of exports exceeded the value of imports by more than two billion dollars.

ever, American manufacturers and exporters have often failed to profit by the government's information. Part of this failure has resulted from ignorance, and part from their refusal to comply with the demands of foreign trade. In many cases, shippers have not



A modern liner (*below*). The steamer Adriatic, 1857 (*above*)

known just what foreign consumers desired; hence there has been endless confusion caused by sending wrong styles, sizes, or colors. More often, however, manufacturers have utterly disregarded the peculiar demands of the people to whom they were trying to sell goods. An American manufacturer, for example, once insisted that Argentina farmers should use red wagon wheels, when in reality they desired wheels of some other color. The manufacturer could see no reason why *he* should change a practice of fifty year's standing. The



## 432 TRADE, TRANSPORTATION, AND COMMUNICATION

result of such shortsightedness was that the Argentina farmers bought their wagons in Europe. American concerns have been known to send to South American countries large supplies of catalogs and price lists printed in English. Furthermore, exporters have been careless



The "T" Wharf in Boston. At this wharf millions of pounds of fish are unloaded every year.

in boxing and consigning freight. Too often, packages, boxes, and crates are in no condition to undergo a long sea voyage, and, what is less excusable, they are illegibly and incorrectly marked. It must be said, however, that such methods are being rapidly changed. The peculiar demands of foreign trade are being studied with more care; large concerns employ skilled translators; some send special agents to the fields they desire to enter; some employ native agents; some

establish branch houses in foreign centers. Much of this change has come as a result of the European war.

An important manifestation of the desire of the American people to increase their foreign trade has been world's fairs, or exhibitions. In 1876 the Centennial Exhibition was held in Philadelphia. Two decades later (1893), the Columbian World's Fair was staged in Chicago. Since that time Atlanta, Omaha, Buffalo, St. Louis, San Francisco, and San Diego have had similar fairs. These fairs have done much to bring people together from all countries, and we may suppose that foreign visitors have returned to their native lands with a good impression of American products.

**367. Sources of the Foreign Trade.**—As in 1880, Europe continues to be our best customer, but not to the same relative extent. A generation ago, nine-tenths of our exports went to Europe; in 1907, less than seven-tenths; and in 1913, about six-tenths. During the same period the value of exports to South America, Asia, and Africa more than doubled though the aggregate amount of increase was relatively small. More important is the growth of the Mexican and Canadian trade, which is carried on partly by water and partly by railroads. The settlement of Upper Canada and the Canadian Far West has caused those markets to become important for American products. Across the southern border the extension of railroads has opened the way for an increased trade with Mexico. This trade, however, is occasionally interrupted by trouble between the two republics and by internal disorders in Mexico.

Naturally the people of the United States have imported more goods from Europe than from any other continent, the bulk of European imports, under normal conditions, coming from Great Britain and Germany.

The country's trade with South America merits particular notice. Our demand for coffee and raw rubber has caused the import trade with that continent to grow until now it is several times greater than it was a generation ago. South Americans, on the other hand, have preferred to buy manufactured goods in Europe. For that reason the

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United States government is giving special attention to bringing the American republics into closer industrial relations.<sup>1</sup>

**368. Important Ports.**—An increase in the size of vessels, the modern necessity of providing large warehouses for the storage of goods in transit, and the close relation between foreign trade and banking have united in causing New York to become more and



Ready for the Cannery

In the Columbia River region one often sees great piles of salmon about to be prepared for canning. The number in this pile exceeds 40,000.

### <sup>1</sup> Trade of the United States with South America.

	Imports from S. A.	Per Cent of Total Imports	Exports to S. A.	Per Cent of Total Exports
1860 . . . . .	35,992,719	9.96	16,742,100	4.18
1870 . . . . .	43,596,045	9.41	21,651,459	4.09
1880 . . . . .	82,126,922	12.30	23,190,220	2.77
1890 . . . . .	90,006,144	11.43	38,752,648	4.52
1900 . . . . .	93,666,774	11.02	38,945,763	2.79
1910 . . . . .	196,164,786	12.59	93,246,820	5.34
1912 . . . . .	215,089,316	13.01	132,310,451	6.00
1914 . . . . .	222,677,075	11.76	124,539,909	5.27
1915 . . . . .	261,489,503	15.61	99,323,957	3.59

more important as a center of foreign trade. Since 1880, two-thirds of the country's imports and more than two-fifths of its exports have passed through the New York customs district. Until the outbreak of the Civil War, New Orleans handled more exports than any other American city. Since then it has been second to New York. Other important ports are Philadelphia, Boston, Baltimore, and San Francisco.

**369. The Fisheries.**—The increase in the prices of foodstuffs during the past decade has stimulated the fishing industry. People realize more than ever before the economy of using fish and oysters



A Modern Canning Factory

The cannery at Bellingham, Washington, is said to be the largest in the world.

as a meat diet, and we may expect them to become increasingly important. The national and state governments maintain fish hatcheries, regulate methods of fishing, restrict the killing of seals, for example, to particular seasons, and see to it that rivers are adequately stocked with fish. Thus the fisheries, which suffered exploitation for years, are now regarded as a valuable national asset worthy of protection and encouragement. Salmon canning has become an important industry in the Columbia River Valley, while oyster fishing holds its own along the Middle Atlantic coast. Cod, mackerel, halibut, and many other varieties of fish are caught in great numbers; and their shipment to all parts of the country has been made possible by the use of refrigerator cars. Whale fishing has failed to maintain its importance, but the scarcity of whale oil has

been of course little noticed owing to the general use of kerosene, gas, and electric power for lighting.

## II. INTERNAL TRADE AND COMMERCE

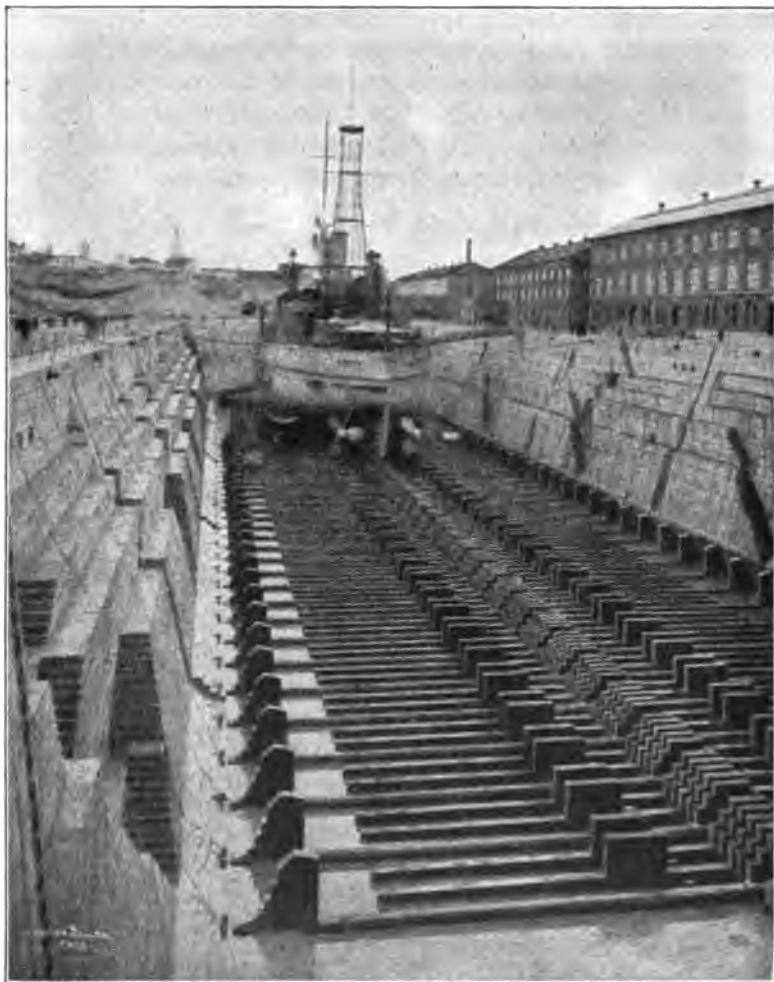
370. **Character and Extent of the Internal Trade.**—Great as is the *foreign* trade of the United States, it appears small when compared with the country's *internal* trade. "The tremendous increase in the production of the country in agricultural and mineral products, and especially in manufactures, has been accompanied by a still more marked increase in the amount of internal traffic. It is a natural result of developing industry and civilization that the people are served with products of greater and greater variety and brought from longer and longer distances.<sup>1</sup> The chief causes for the rapid increase of internal trade appear to be (1) specialization in industry, (2) advertising, (3) improved means of transportation, and (4) better banking facilities. The first increases the output of industry, the second stimulates consumption, the third furnishes quick and cheap interchange of commodities, while the fourth facilitates business by supplying credit and collecting accounts.

Any estimate of the annual value of internal trade must be more or less of a guess. It may be twenty billion dollars, it may be fifty billion.<sup>2</sup> Its importance in the daily life of the people can scarcely be overestimated. Practically every article of food and clothing consumed by the typical city family has at some time or other entered into this trade. The meat may have come from Texas or Iowa, the fruit from California, the hats from Connecticut. A complete list would include products from every section of the country and many from foreign lands. Likewise the consumption of the typical country family, some foodstuffs excepted, is closely related to internal trade.

The increase in the country's internal trade is indicative of the people's industrial progress. When communities were isolated and when each family produced many of the goods it consumed, internal

<sup>1</sup> *Final Report of the Industrial Commission*, vol. xix, p. 544.

<sup>2</sup> In all probability, our internal trade is equal to the foreign trade of the entire world.



A Government Dry-Dock

Here we see a United States cruiser undergoing repairs in one of the government dry-docks.

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trade was of slight importance. Then each man was a jack-of-all-trades; each family raised its own foodstuffs and made its own clothing. Such processes were slow and laborious. Commodities were scarce. As internal commerce increased, production became larger, and the quality of goods became better and their variety greater. In short, advancement of the country in civilization has gone hand in hand with the development of its internal trade and commerce.

**371. Important Factors in Internal Trade.**—Along with the growth of inland trade have gone changes in methods of distributing goods. Formerly, almost all manufactured goods passed from the manufacturer to the jobber, then to the retailer, and finally to the consumer. Similarly, farm products in their journey from the producer to the consumer were handled by several middle-men. This method of distribution still prevails, though radical changes have taken place in various industries. Years ago the Standard Oil Company and the Plate Glass Trust began to sell direct to retailers. Since that time many other manufacturers have followed this plan with success. Some even sell directly to the consumer. The latter method usually requires nation-wide advertising in order that consumers may apply directly to the producer for his goods; sometimes the manufacturer employs salesmen to sell to the consumer. In some cases the manufacturer sells both to jobbers and retailers. Thus it will be readily seen that there is a variety of ways by which goods may be transferred from the producer to the consumer. Every change from the old method of distribution has been made with the idea of lessening the cost of the goods to the consumer. Whether or not such changes have effected the economies claimed for them, is at present a mooted question.

**372. Retailing on a Large Scale.**—In an effort to reduce the prices of commodities to consumers, two rather wide-spread plans merit special consideration. The first of these is the department store. Every large city and most small ones have such establishments, in which the consumer may buy dry goods, groceries, clothing, drugs, furniture, and a variety of other commodities of every-day use. By

this plan savings are made, it is claimed, in superintendence, rent, advertising, and delivery of parcels, and in buying because of the large amount of goods required. Whether or not the department store sells goods at a lower price than its small competitors is a matter of doubt in the minds of many people. Perhaps its popularity rests not so much on lower prices as on its ability to carry larger varieties. A great deal of the opposition to the department store is based on the ground that it is a monopoly.<sup>1</sup>

Chain-store systems, like department stores, lay claim to economies in buying and selling. Such a system combines a number of stores handling the same kind of merchandise. Sometimes the stores are each owned and controlled by different parties, sometimes all are controlled by one firm or corporation. Sometimes all the stores in one system are located in the same city, sometimes in several cities. The most notable development in this connection has been in drug stores, grocery stores, and restaurants.

The second plan of retailing on a large scale is undertaken by the mail order houses. By this plan the "house" sells directly to the consumer by the use of catalogs. Buying in large quantities, and even manufacturing many of the commodities they sell, mail order houses claim even more economies for their business than are claimed by department stores. This method of doing business has excited a great deal of opposition on the part of the country merchants, who contend not only that their business is being ruined, but also that local communities suffer from spending their money in the city. Whatever the truth of these two contentions, we may safely conclude (1) that people are going to buy where they can get the best bargains, and (2) that the mail order house can displace the local merchant only in case it is able to sell goods cheaper and to render better service.

<sup>1</sup> The *Final Report of the Industrial Commission* (1902), vol. XIX, p. 548, speaks thus of the department store: "The department store, which is really a consolidation of smaller stores handling different lines of goods, dates back to the period immediately following the Civil War, and seems to be due to the changes in the methods of conducting business which developed about that time. Prices were falling, the margin of profit was growing smaller, and it became necessary for merchants to turn over their stocks rapidly. They thus needed larger capital and new sales methods."



### III. INLAND TRANSPORTATION

**373. Growth of the Lake Trade.**— The growth of the lake trade, which has been noticed in other connections, continued with increased vigor after 1880. In that year the total tonnage of lake vessels was 605,102. During the next thirteen years it increased more than 100 per cent to 1,261,067. In 1908 the tonnage was 2,729,169, and in 1914, it was 2,882,922. During the same period the number of tons of freight passing through the Sault Ste. Marie Canals increased twenty-fold, from less than two million to more than forty million.



The Locks at Sault Ste. Marie, Michigan

Gate closing to raise water for entrance of boat from above locks in Lake Superior.

The lake trade has several interesting characteristics. First, it is largely a coastwise trade,— that is, only a very small portion of it is between the United States and Canada. Second, the commodities hauled are raw materials for manufactures. Of these the principal ones are iron ore, copper ore, lumber, coal, and grain. It is indeed fortunate for American industry that the sources of these raw materials are near navigation facilities. Otherwise the higher freight rates which must be charged by railroads would add to their prices at the point of manufacture. Third, the east-bound movement of freight greatly exceeds the west-bound movement. In 1900 it was four to

one. The reason for this great difference is, of course, the heavy shipments of raw materials eastward. Fourth, the bulk of the trade is between Lake Erie ports and Lake Superior ports. Fifth, only on Lakes Michigan and Erie has local traffic been developed. On the latter lake, regular lines connect Detroit and Buffalo with intermediate points; on Lake Michigan there is considerable traffic between Chicago and Milwaukee, and between these two cities and Michigan ports on the eastern shore of the lake.



The Municipal Pier, Chicago, Illinois

It is 3000 feet long, 292 feet wide. Freight cars and locomotives enter on ground floor, street cars on second landing. Lake steamers dock at either side. Promenades lead to auditorium and recreation rooms at the outer end. The Pier will accommodate 100,000 people at one time.

Obviously the reason for the unprecedented growth of the lake traffic has been its cheap rates. Usually for no other reason is water transportation preferred to rail transportation.

#### COMPARATIVE LAKE AND RAIL FREIGHT RATES

Year	Lakes	FREIGHT PER TON PER MILE BY	
		Nickel Plate R. R.	Michigan Southern R. R.
1891 . . . . .	1.35 mills	4.35 mills	4.56 mills
1898 . . . . .	.79 mills	4.15 mills	3.29 mills

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**374. State of the River Trade.**— The decline of the western river trade, which began during the Civil War or soon after, has continued. Several independent factors appear to have been the cause of this decline. The railroads, by offering better accommodations and more speed, have taken over almost all the river traffic, though their rates are higher. Second, the profits of the river trade are too low to



The Keokuk Dam

One of the greatest engineering feats of the century was the building of the dam across the Mississippi River at Keokuk, Iowa. The electrical power generated by the water passing over this dam has materially aided the development of industries in that region.

compensate for the risks involved. For that reason little capital is invested in it. Third, the great variation of depths of water from season to season necessitates the erection of floating wharves, which have proved unsatisfactory. Fourth, there have been few improve-

ments for handling steamboat freight, old hand methods being practiced at most landings. Fifth, usually boat owners have but one or two boats; hence there is little co-operation in handling and forwarding freight. Sixth, the small population along the rivers tends to keep the traffic below what it would be if the population were greater.

It ought to be said in this connection, however, that the transportation of coal and other heavy commodities such as ores, grain, cotton, and lumber is well adapted to river traffic. In fact, on the Ohio River, several thousand barges are engaged in the coal and lumber trade. The opinion is very generally held that the rivers ought to be more extensively used for transporting such bulky articles, and it is freely predicted that the day is not far distant when such will be the case.

**375. Mileage of American Railroads.**—The first two or three years following 1880 saw a rapid growth in railroad mileage. In fact the growth was too rapid, for it brought on a severe panic in 1884. Gradually the business revived, but never since has there been such a "scramble" to lay down new lines. The growth in mileage during the past generation has been as follows:

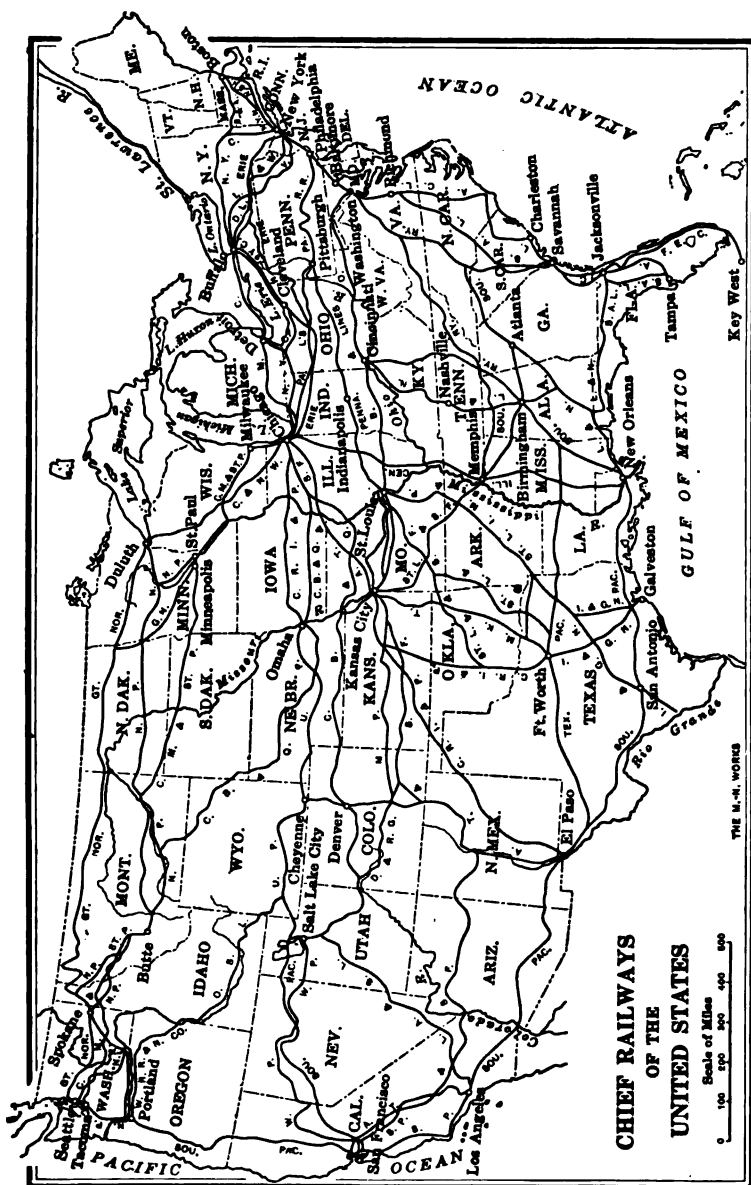
Year	Mileage	Average Annual Increase
1880 . . . . .	93,267	.....
1883 . . . . .	121,423	12,718 miles
1900 . . . . .	198,964	4,561 miles
1907 . . . . .	236,945	5,426 miles
1913 . . . . .	251,948	2,500 miles

The importance of American railroad mileage may best be shown, perhaps, by comparing it with the mileage of foreign countries. First of all, the railroad mileage of the United States comprises more than two-fifths of the world's mileage, and exceeds that of Europe. In 1900 it was estimated that "Europe had about 2,208 inhabitants to every mile of road, while in the United States there are only 392." Such a comparison simply means that according to population, the United States was more than five times as well equipped with railroads as Europe. According to the same estimate, there were in the United States in 1900, sixteen square miles of territory to one mile of railroad; in Europe the ratio was 22 to 1; and in Canada, 208 to 1.

**376. Regulation of Railroads by the National Government.**— The rapid growth of American railroad mileage brought serious problems of government regulation. In the early days when the lines were short and disconnected, little attention was given by the government to their regulation. Indeed there was little need of regulation. By 1870, however, abuses had crept into railroad management to such an extent that the individual states undertook a policy of railroad regulation. For more than a decade this policy was continued with but fair success. It then became evident that the national government alone was strong enough to cope with the problem. Accordingly in 1887 the Interstate Commerce Law was enacted by Congress for the regulation of railroads.

This law prohibited (1) pooling, (2) discrimination, and (3) a greater charge for a short haul than for a long haul. In addition, it required the roads to make public their rates. A commission composed of five members was provided to see that the act was enforced. For several years the commission worked at a disadvantage: many of its decisions were reversed by the United States Supreme Court; too often skilled lawyers in the employ of the railroads found means of evading the commission's orders; occasionally members of the commission held office as the result of political influence. The people, however, were determined that the commission should be clothed with authority enough to control the abuses which still existed. Accordingly Congress has amended the original act several times. At the present time (1917) the commission has power to regulate rates, to prescribe methods of railroad accounting, to require the use of safety appliances, and to regulate the inspection of locomotive engines. Recently the commission undertook the valuation of railroad lines and their equipment.

**377. Railroad Consolidation.**— One of the most notable developments in railroad organization and management has been the consolidation of independent lines. Sometimes these lines are combined under a single ownership; sometimes one road owns a controlling interest in other roads. At the outbreak of the Civil War, the longest



line in the United States, the Illinois Central, was less than a thousand miles in length. By 1880, however, the Pennsylvania had acquired about four thousand miles of track. Six years later the Chicago and Northwestern operated more than thirty-five hundred miles. In 1889 the Union Pacific owned 2000 miles of line, but controlled nearly 4,000 more. After 1890 the consolidation of great trunk lines continued with increasing vigor. "In 1900 over 60 per cent of the mileage of the United States was included in systems larger than 1,000 miles. This statement illustrates the rapid development which took place after 1890. A comparison of 1880 with 1900 shows that in the former year there were 2,085 railroad companies in existence, either operated independently or under lease, aggregating 93,000 miles in length. In June, 1900, the mileage had more than doubled, with a total number of 2,023 corporations; but of these only 847 were independently operated, the rest being either leased or subsidiary."<sup>1</sup> Since 1900, great financial interests have combined to get control of the more important trunk lines and their connections. Thus during the past few years we have had the Harriman lines, the Morgan-Hill lines, the Vanderbilt lines, the Gould group, and the Pennsylvania group.

**378. Recent Railroad Developments.**—Of more interest, perhaps, to the traveling public and to shippers have been the improvements in passenger and freight service. In spite of decreased passenger rates the railroads have provided more luxurious coaches, more commodious depots, and more frequent and better train service. Steel passenger coaches, double tracks, automatic signals, and ballast roadbeds have made traveling safer as well as more comfortable. To gain greater speed, sharp curves have been eliminated, steep grades leveled, locomotives built larger, and rails increased in size and weight; some roads even provide for supplying engines with water and fuel while traveling at high speed, while at least one transcontinental road employs electric power to move its trains across the mountains. To the same end, strongly constructed concrete, stone, or steel bridges and culverts have replaced the old wooden ones.

<sup>1</sup> *Final Report of the Industrial Commission*, vol xix, p. 305.

Equally important have been the improvements in freight service, though they have attracted less attention. Fast freights carry goods from one section of the country to another with surprising rapidity. Stock pens, loading platforms, and mechanical hoisters facilitate the handling of freight. An increase in the carrying capacity of freight cars has made possible the hauling of greater loads at a decreased cost. Not many years ago a box car of 60,000 pounds capacity was considered exceptionally large; now there are thousands of cars of 100,000 pounds capacity, and even 120,000 pounds. Likewise, improvements such as double tracking, heavier rails, larger engines, and ballast roadbeds have added materially to the freight service.

**379. Development of Electric Interurban Railroads.**—A recent development in railroading has been the electric interurban. Like the early steam roads, interurbans are relatively short, independently owned, and local in their service. They have both advantages and disadvantages over their steam competitors. They offer more frequent service, usually traverse the center of cities, using the local street car tracks, and carry freight on an express schedule. Many travelers prefer them also because of the absence of smoke and cinders. Besides, they find it profitable to take on and discharge passengers at points in the open country. In some respects interurbans find it impossible to compete on equal terms with the railroads. Usually the latter have better and faster passenger service, better facilities for connecting with other lines, and a firmer roadbed. Each performs a valuable service, and the outcome of the rivalry between the two is full of interest.

**380. The Express Business.**—Along with the growth of railroads has been a corresponding growth in the express business, which in fact can scarcely be separated from the railroad business itself. Express companies employ railroad cars especially equipped for hauling parcels and light freight, maintain offices in depots as well as elsewhere, and often employ the local station agent to handle express. Like the railroads, they are common carriers and subject to government regulations. For years they enjoyed a monopoly in transport-



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ing parcels, but since 1913 the parcels post has divided the business with the express companies, besides causing them to lower their rates.

**381. Railroad Transportation and Industry.**—No other enterprise is so closely related to present-day industry as railroading. Few commodities enter into our daily consumption that have not been shipped one or more times by rail; practically every manufacturing industry depends on the railroad either to bring its raw material or to carry away its finished products; most farmers employ them to ship their grain and live stock to market; in fact, there is scarcely a person in the whole country who would not feel the evil effects of the stoppage of railroad traffic. It is true that in the early days before railroad lines were built the country prospered. Even the older civilization flourished without them. What this prosperity and this civilization would have been had railroads existed, no one can say. We can say, however, that modern industry is built on railroad transportation, and that its present well-being and future progress depend largely on the manner in which this transportation is conducted. Nothing that the village blacksmith or the city merchant could do in the conduct of his business would materially affect industry. The same may not be truthfully said of a railroad line, for if allowed to carry on its business unregulated, it has the power by fixing rates to discriminate in favor of industries and localities. For that reason, the government has felt justified in regulating railroads in the interest of society at large.

## IV. COMMUNICATION

**382. Improvements in Mail Facilities.**—An important aid to the development of industry has been the post office with its efficient service in forwarding letters, books, papers, and packages. At the close of the Civil War the annual receipts of the postoffice department were \$14,556,159, or less than fifty cents per capita. In 1880 they were \$33,315,479, approximately sixty-five cents per capita. Since then the postal business has grown much more rapidly than the population. In 1908 the receipts were \$191,478,663, in 1914, \$287,934,566. To keep pace with this rapid development new postoffices

were established in large numbers, the high water mark of a total of 76,945 being reached in 1901. Since that time, owing to the spread of the free rural delivery system, the number has gradually declined until in 1914 there were but 56,810. Along with the growth of the system has gone increased efficiency in handling mail matter. Numerous devices are used to facilitate collection and delivery. City carriers, motor trucks, pneumatic systems, and substations combine



Separating Mail in a Large Postoffice

to make the city service highly efficient. Country patrons are served by rural carriers who collect and deliver mail at millions of farm houses daily. These carriers as well as railway postal clerks, city mail carriers, employees of city offices, and even postmasters are appointed only after a careful examination in which each candidate is tested as to his ability to fill the position he desires. Thus politics has been largely eliminated from the postoffice service with gratifying results.

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In establishing and maintaining the postoffice system the government has had in view its educational effects quite as much as its industrial effects. For that reason, few people complain because of its failure to earn revenue for the government. Instead the great majority holds the opinion that improvements in the system are much more to be desired than surplus earnings. Even the parcel post was established with little idea of increasing the net revenues. Of late years, however, the annual deficit has decreased, and it now appears that the system may become self sustaining.

**383. Telegraph and Telephone.**—Two other means of communication which are much more widely used by business men than is generally supposed are the telegraph and telephone, and their importance in modern life is fully realized only when communication over them is stopped by heavy storms. Both systems are extensively employed in sending personal messages, and in conducting business. Each has its advantages. Market reports, for example, may be telegraphed to hundreds of offices at the same time. On the other hand, the telephone makes communication more natural, and recent improvements have made practicable its use between remote sections of the country. In the matter of local communication the telephone plays a prominent part. No city or town or scarcely a country community is without its telephone exchange. Its use has become indispensable.

In the development of the telegraph and telephone, monopoly has played a prominent part. The Bell Telephone Company, owing to its early patents, succeeded in getting control of the larger part of the telephone business of the country. It has had many competitors, to be sure, yet it still holds the lead. The telegraph business is divided between the Western Union and Postal Telegraph. Few other companies have been able to gain a footing in the field. The magnitude of the operations of these giant corporations may be shown by the number of messages they handle. In 1910 the Western Union transmitted 75,000,000 messages. In 1913 the Bell Telephone system made a daily average of 26,000,000 connections.

## ORAL AND WRITTEN EXERCISES

1. Locate the more important American sea ports.
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2. How did the European war affect the foreign trade of the United States?
3. What hindered foreign trade a generation ago?
4. Why has the American merchant marine not kept pace with the growth of American commerce?
5. Why do not foreign vessels engage in coastwise trade?
6. Why should any government grant ship subsidies to its ship-owners?
7. What is meant by the expression, "unfavorable balance of trade"?
8. How do old debts to foreign citizens affect the foreign commerce of the United States?
9. How were world's fairs expected to increase foreign trade?
10. How does the national government assist exporters in selling goods?
11. Why have American exporters often failed to secure foreign trade?
12. What efforts are now being made to enlarge the foreign markets for American goods?
13. Why is Europe a better market for American goods than is South America?
14. Why have the South American countries failed to carry on an extensive trade with the United States?
15. Why is it difficult to determine the volume of the internal trade?
16. What economies do department stores claim?
17. Why do retailers oppose mail-order stores?
18. Name twelve or fifteen nationally advertised products.
19. What forces have caused the river trade to decline?
20. What improvements have been made in railroad traffic?
21. How does the railroad mileage of the United States compare with the railroad mileage of Europe.
22. What is the Interstate Commerce Commission? What are its principal duties?
23. What advantage have electric interurbans over steam roads?
24. Under what disadvantages do electric interurbans labor?
25. What has caused a reduction of express rates?
26. How are railroads related to industry?
27. Enumerate the devices employed by the government to facilitate the collection and distribution of mail.
28. Why have the people not insisted that the post office should be self-supporting?
29. What is the relation of the telegraph and telephone to modern business?

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### 30. Suggested topics for oral or written reports:

The Decline of the American Merchant Marine.  
Growth of the Lake Trade.  
Railroad Consolidation.

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### 31. Important dates:

1887 — Interstate Commerce Act.  
1913 — Parcel post in operation.

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# CHAPTER XXV

## BANKING, THE CURRENCY, AND FINANCIAL CRISES

1880-1917

### I. BANKING

**384. Development of Banking.**— Banking has enjoyed a remarkable growth during the past decade. In June, 1915, there were 30,065 banks in the United States with a combined capital of more than two billion dollars, and deposits of almost twenty billion dollars.<sup>1</sup> Every city and town has its bank or banks. No longer are they regarded as institutions to be patronized only by the very rich. More and more, people are coming to see that the farmer, the mechanic, and even the laborer, need to utilize the services of banks quite as much as does the merchant or investor, although possibly in a different way. The number of men, women, and children who regularly make deposits in savings banks exceeds ten million, and their deposits would be sufficient to build and equip ten Panama canals. Millions of people in moderate circumstances as well as the richer classes find it convenient to deposit their money in commercial banks, checking it out from time to time. Thus these small sums, which appear trifling to the individual depositor, total billions of dollars, every one of which is kept actively engaged in industry. Few countries enjoy better banking facilities and no other people use banks to such an extent as do the Americans. It is little wonder then that

<sup>1</sup> The seven largest banks in the United States are:

	Capital
Bank of Commerce, New York . . . . .	\$25,000,000
National City, New York . . . . .	25,000,000
Continental and Commercial National, Chicago . . . . .	21,000,000
First National, New York . . . . .	10,000,000
First National, Chicago . . . . .	10,000,000
National Bank of Commerce, St. Louis . . . . .	10,000,000
Shawmut, Boston . . . . .	10,000,000



*By Courtesy of the National City Bank*

**National City Bank, New York**



*By Courtesy of the National Bank of Commerce*

**National Bank of Commerce, St. Louis**

the banking business of the United States has grown so rapidly during the past generation.

A leading authority on banking classifies banking institutions as follows:

- (1) The national banking system organized under Federal law.
- (2) The commercial banking system organized under the laws of the several States.
- (3) The system of special institutions organized under State laws, and including trust companies, savings banks, building loan associations, and various other institutions of like nature.

**385. Banking Institutions.**— It will be noticed that many different types of banking establishments have combined to further the industrial progress of the country. State banks outnumber national banks two to one, though we are inclined oftentimes to think that the latter are more numerous. Trust companies have also prospered, and many of them are very strong and carry on a regular banking business. Of the various institutions that encourage saving and by so doing add enormously to the capital of the country, the building loan associations are likely to be overlooked in this connection. Nevertheless, they have performed a valuable service in encouraging thrift and in building up local communities. In 1914 there were more than six thousand such institutions in the United States with more than three million members and assets exceeding a billion dollars.

The relative importance of the different banking systems may be best shown in statistical form.

BANKING SYSTEMS, 1914			
System	Number	Capital and Surplus	Private Deposits
National Banks . . .	7,453	\$1,778,095,306	\$6,268,692,430
State Banks . . .	14,512	714,956,610	3,226,793,217
Savings Banks . . .	2,100	408,769,605	4,936,591,849

**386. Defects in the National Bank System.**— The National Bank Law, which was originally enacted in 1863, has, since that time, been modified in several particulars to meet changed conditions. In 1900, for instance, the minimum capital for national banks in the



smaller towns was reduced from \$50,000 to \$25,000. The most serious defect of the original law, and the one which Congress found most difficult to remedy, concerned national bank notes. For fifty years (1863-1913) each national bank was required to deposit with



By Courtesy of the National Bank of Commerce

National Bank of Commerce, New York

the Treasury Department at Washington government bonds to secure its note circulation.<sup>1</sup> That is, no national bank could issue notes until it had deposited bonds as security. Such a procedure was slow; and the demand for additional money was likely to cease before the banker could go through all the formalities required to increase the amount of his note issue. For that reason, national bank currency was said to be *inelastic*,—that is, it did not readily adjust itself in volume to the demands of business. This inelastic feature had an important influence on all kinds of industry. Country banks, for example, often found it difficult to supply money

during the late summer and fall months for moving crops. Sometimes the amount of money at their command was insufficient. More often, their funds were on deposit in the banks of the larger cities. This difficulty, it was argued, would be lessened or entirely removed if the banks were allowed to issue notes during the period of

<sup>1</sup> Each bank must also keep on deposit at Washington a redemption fund equal to five per cent of its circulation.

heaviest demand and compelled to retire them as soon as the demand had ceased. Such a plan, it will readily be seen, simply provided for a currency of greater elasticity, one that would stretch with an increased demand, and contract gradually as the demand became less.<sup>1</sup>

**387. The Federal Reserve Law.**

— The demand for a bank-note currency of greater elasticity, coupled with demands for reforms in banking practices, finally compelled Congress to consider the whole question of currency and banking from the standpoint of modern business needs. Several months were given over to investigating the financial conditions of the country, to hearing the testimony of bankers and business men, and to debating the question in both houses of Congress. The Democratic leaders, supported by President Wilson, carried the measure through Congress in December, 1913.

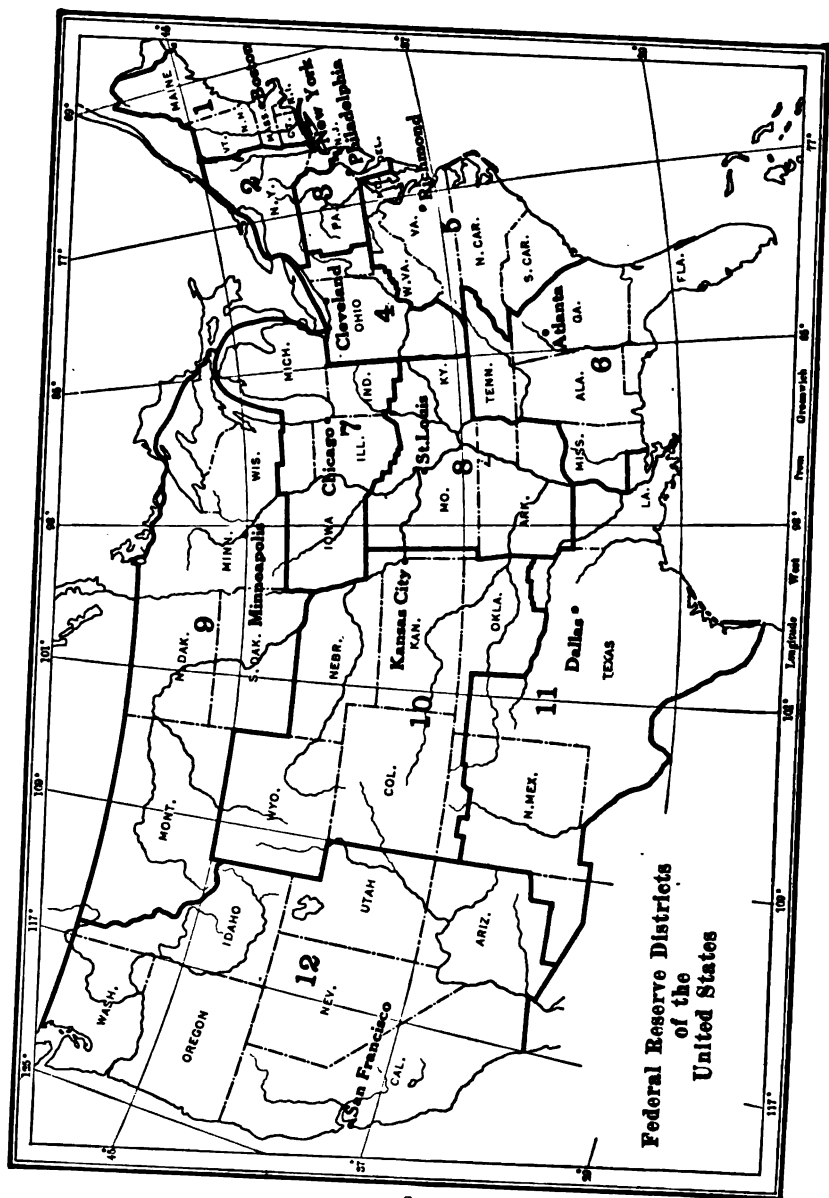
The new law, which in many respects was a radical departure from any previous legislation, embodied many important features.

<sup>1</sup> An elastic currency, it will be noticed, should contract as well as stretch.



*By Courtesy of the Continental and Commercial National Bank*

Continental and Commercial National Bank, Chicago



It provided that the United States should be divided into not less than eight nor more than twelve districts, in each of which was to be established a regional bank;<sup>1</sup> that the national banks, and as many state banks as cared to join, should provide the capital for the regional bank of their respective districts; that each regional bank



*By Courtesy of the Shawmut Bank*

**The Shawmut Bank, Boston**

should have a board of directors composed of business men from other lines, as well as of bankers; that all of the regional banks should be under the general control of a Central Reserve Board; and that each regional bank should have authority to issue paper money (reserve notes).

The Act featured many other provisions, but the one dealing with regional banks, particularly with their issuance of paper money, is

<sup>1</sup> A regional bank was established in each of the following cities: Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco.

the most important from the standpoint of industry. This provision authorized each regional bank to issue reserve notes (paper money) to its member banks in exchange for bonds and commercial paper (notes given the bank by business men to secure loans). Thus the currency will stretch when the demand for money increases. Provision was also made for its contraction when the demand becomes less. Each member bank is required to pay a progressive interest on the reserve notes secured from its regional bank — that is, the longer the notes remain in circulation the higher the rate of interest becomes. Hence each bank will retire the notes for which it is held responsible as quickly as possible in order to save interest charges. It is expected that a great deal of the paper money of the country will eventually be based on the credit of business men instead of on government bonds. Concerning the relation of industry to the new banking system a well-known authority says: "To get the full advantage of the system, the business man needs to arouse himself to a new conception of his functions and duties. He needs to bring his methods of borrowing and his view of commercial paper into harmony with European practice, to accustom himself to prompt payment of notes and bills without extended renewals, and to the putting of his business upon a short-term cash basis. He needs further to familiarize himself with the idea of banking in the larger sense as distinct from a mere note-shaving and stock-manipulating occupation, and to prepare to share actively in the management of the new reserve banks and branches, in which important places have been reserved for him."<sup>1</sup>

## II. THE CURRENCY

**388. The Sherman Silver-Purchase Act.**—The Bland-Allison Silver Purchase Act, which was noticed in another connection, continued in force from 1878 to 1890. By that Act the secretary of the treasury had been authorized to purchase from two to four million dollars worth of silver each month, though in reality the minimum

<sup>1</sup> H. P. Willis, *The Federal Reserve*, pp. 83, 84.

monthly purchase was regularly made.<sup>1</sup> Two forces combined to increase the agitation for heavier purchases of silver. First, the fall in prices continued; gold became dearer. As a result there was a demand, especially in the West, for cheaper money. Many people believed that the solution of the financial problem was to remonetize silver or at least to purchase the full output of the western silver mines. The second force was the demand of the silver miners that the government save them, so they said, from ruin. The agitation for increased purchases of silver culminated in the Sherman Silver Purchase Act of 1890, which directed the secretary of the treasury to purchase 4,500,000 ounces of silver each month, payment to be made in full legal tender treasury notes.<sup>2</sup>

During the operation of the Sherman Act, which was repealed in 1893, the government purchased 168,674,682 fine ounces of silver at a cost of \$155,931,002. The market value of the silver was less than \$115,000,000. Already under the operation of the Bland-Allison Act, almost 300,000,000 ounces had been purchased. Thus by 1893 the government had in its vaults a half billion ounces of silver, which is often referred to as the "silver hoard." The effects of the purchase of such large quantities of silver were disastrous to the treasury. The

<sup>1</sup> The Act reads in part: "And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion, at the market price thereof, not less than two million dollars worth per month, nor more than four million dollars worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars [412.5 g.] . . ."

"That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denominations of the United States notes. . . ."

<sup>2</sup> The Sherman Act reads: "Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of four million five hundred thousand ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than one dollar nor more than one thousand dollars, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated."

gold reserve that had been started in the seventies to redeem greenbacks was depleted by persons presenting treasury notes for redemption. Moreover, the gold receipts of the government declined owing to an increased use of silver dollars and treasury notes for

paying internal taxes and customs duties. On several occasions the secretary of the treasury was forced to sell government bonds in order to secure gold for redemption purposes.



*Copyright by Underwood & Underwood*

Looking up Wall Street toward Trinity Church

**389. Free Silver a Political Issue.**—The repeal of the Sherman Act in 1893 raised a storm of protest particularly in the West. The Panic of 1893 and the "hard times" that followed created a feeling of unrest and a desire for change. Many people believed that a return to the former bimetallic

standard would improve industrial conditions. In 1892 the Peoples party (Populists) had polled more than a million votes. Here, then, was the nucleus of a country-wide movement for the restoration of silver to its former place beside gold. Newspapers, magazines, and

public speakers kept the silver issue before the people. As a result the free silver party, irrespective of political affiliation, grew stronger as the presidential campaign of 1896 approached.

Each of the old parties was divided over the silver issue. Many of the free silver men were Republicans, more were Democrats. When the latter party met in Chicago (June, 1896) to nominate candidates for president and vice-president and to formulate a platform of principles, it was seen that the friends of silver controlled the convention. Under ordinary conditions President Cleveland would have been the most influential member of his party, but because of his opposition to the remonetization of silver his influence in the convention was slight. The logical choice of the free silver men appears to have been Richard P. (Silver Dick) Bland of Missouri, and he would probably have been nominated had not the unexpected happened. William J. Bryan, a young lawyer and newspaper man of Nebraska, in addressing the convention, pleaded the cause of free silver with such eloquence as to cause the delegates to choose him as the Democratic standard bearer.<sup>1</sup> The delegates also adopted a platform in which they declared for the remonetization of silver. Democrats who refused to support either the candidates or the platform nominated a Gold Democrat candidate, though many of them supported the Republican nominee. A similar split occurred in the Republican party when the delegates to the national convention declared for a single gold standard. A minority withdrew, declaring their adherence to the cause of free silver:<sup>2</sup>

<sup>1</sup> Bryan concluded his famous 1896 convention speech as follows: "If they say bimetalism is good, but that we cannot have it until other nations help us, we reply that, instead of having a gold standard because England has, we will restore bimetalism, and then let England have bimetalism because the United States has it. If they dare to come out in the open field and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold."—*Speeches of William Jennings Bryan Revised and Arranged by Himself*, vol. I, p. 249.

<sup>2</sup> Senator Teller of Colorado, after being voted down in committee 14 to 10, carried the fight for silver into the convention where he told of his long devotion to the Republican party, his former concessions in the interests of harmony, and



Thus the issue appeared to be squarely joined. One party favored the remonetization of silver, the other opposed it. In addition, the Republicans declared for a protective tariff, expressing their belief that the Panic of 1893 had been caused by the fear of Democratic free trade. The campaign was bitterly waged. Mr. Bryan traveled thousands of miles and spoke to hundreds of thousands of people. His opponent, William McKinley, remained at home in Canton, Ohio, where he was visited by hundreds of Republican delegations. In midsummer it appeared as if Mr. Bryan would be elected, but as election day approached his strength declined. Mature thought convinced many Democrats that the restoration of silver was undesirable. The election was a Republican victory and a victory for the single gold standard.<sup>1</sup>

**390. Significance of the Free Silver Agitation.**—Two outstanding features of the free silver agitation merit attention. First, it was but the recurrence of the old agitation of a frontier people for cheaper money. We have seen in earlier chapters how the colonists clamored for a medium of exchange less costly than specie, and how as the country was settled, various schemes were resorted to in the West for getting cheap money. It was not a question of honesty or of business integrity, but rather one of necessity; newly settled sections find it almost impossible to get and to retain specie. The second

his desire to uphold Republican principles in the future. Teller argued that it was a question of principle, not policy, and declared: "When the Almighty created these twin metals, He intended that the world should use them for the purposes for which they were created." After Teller lost his substitute motion, 818 to 105, he and thirty-three other delegates seceded from the convention.

<sup>1</sup> Many factors entered into this success. A. D. Noyes in *Forty Years of American Finance*, pp. 265-266, points out a little recognized factor: "The news of the crop failure in India, coming on such a situation [shortage of 26,000,000 bushels], forced Liverpool to advance its bid for American wheat. As against the August price of 53 cents per bushel, wheat rose at Chicago to 70 cents in September, to 74½ in October, and to 94½ in election week. The moral effect of this movement was very great. . . . The political result of this rise in wheat, notably in the doubtful Western States, was undoubtedly important. It largely accounted for McKinley's heavy majorities in farming States of the Middle West, such as Ohio, Michigan, and Minnesota, which in 1892 gave to the Democrats and Populists, combined, a plurality of 21,000, whereas in 1896 the Republican party's vote in the same three States ran 148,000 votes ahead of its two antagonists."

feature, which was closely related to the first, was sectional. Though the free silver agitation was supported by the Democrats as a party, its strength was chiefly in the Far West and in the South. Its agitators emphasized the sectional aspects of the issue. They charged the gold men with being "the tools of Wall Street, and the friends of bloated capitalists." In short, free silver orators and newspapers pleaded for western and southern support on the ground that the interests of the East differed from those of the rest of the country.

**391. The Gold Standard Act.**— Just as the campaign over silver was being waged, several important influences on the money question



**A Modern Gold Mining Method**

Modern methods of mining gold require large capital and expensive machinery. Gold-bearing gravel is washed out of the hillsides and then sent to stamping mills where it is ground and the gold is separated from the sand and dirt.

were getting under way. The opening of rich gold mines in the Klondike regions and elsewhere made that metal more plentiful, and hence cheaper. Furthermore, prices began to rise, and an era of prosperity set in. These changes weakened the free silver arguments and all but destroyed them. With the demands for a bimetallic standard removed, Congress determined to place the monetary system of the country on a single gold standard. Accordingly, in 1900 the Gold Standard Act was passed providing that the standard should be the gold dollar. The act also provided "that all legal-tender notes should be redeemed in gold coin on demand and that a reserve of \$150,000,000 of gold coin and bullion should be kept in the Treasury for that purpose solely; that notes redeemed out of the fund should not be reissued except in exchange for gold; that if the fund should at any time fall below \$100,000,000, it should be restored to the maximum sum of \$150,000,000 by the sale of bonds, and that none of the proceeds of such sales of bonds should be used to meet deficiencies of the current revenues."<sup>1</sup> Thus the country is pledged to a single gold standard with ample provisions for keeping all of its money on a parity with the standard. Whether or not the silver dollar will ever again become a standard coin remains to be seen.

**392. The Money Stock.**—As a result of various legislative enactments, which we have noticed from time to time, the present money stock of the United States is rather complex. Specie comprises gold coins of various denominations from one dollar upward, the silver dollars, silver subsidiary coins—half dollar, quarter dollar, and dime—the nickel five-cent piece, and the copper cent. There are *seven* kinds of paper money in circulation: United States Notes (greenbacks), gold certificates, silver certificates, national bank notes, treasury notes, and two kinds of reserve notes. Greenbacks are issued in denominations of \$10 and upward to \$1000, a "few of the denomination of \$5, previously issued, are still outstanding"; gold certificates, from \$10 to \$1000; silver certificates, from \$1 to \$100; national bank notes, from \$5 to \$100; treasury notes, from \$1

<sup>1</sup>H. White, *Money and Banking* (fifth edition), p. 162.

to \$20; and reserve notes, from \$5 to \$100. The national government provides for keeping the various kinds of paper money at par by redeeming them *on demand in gold*.

MONEY IN CIRCULATION, APRIL 1, 1917  
(Not including one-cent and five-cent pieces.)

Gold Coin . . . . .	\$667,338,062
Gold Certificates . . . . .	1,865,918,769
Standard Silver Dollars . . . . .	71,015,206
Silver Certificates . . . . .	476,348,016
Subsidiary Silver . . . . .	191,351,912
Treasury Notes of 1890 . . . . .	1,997,200
United States Notes (Greenbacks) . . . . .	335,136,581
Federal Reserve Notes . . . . .	380,921,035
Federal Reserve Bank Notes . . . . .	11,169,975
National Bank Notes . . . . .	700,934,185
Total . . . . .	\$4,702,130,941

### III. FINANCIAL PANICS

**393. Number and Extent.**—Since 1880 the United States has experienced four distinct panics. The panic of 1884 was caused largely by overinvestments in railroad building and, as we have seen in another connection, business resumed a normal condition within a year or two. Nine years later (1893) the country underwent another financial and industrial depression, more widespread and serious than the one of 1884. Thousands of factories were shut down. Hundreds of thousands of laborers idled about the streets, many depending on charity. Banks, business houses, and manufacturing plants failed in large numbers. Credits were contracted and money was scarce. In short, “times were hard.” Some attributed the panic to the silver situation, others to the success of the Democrats in 1892 on a free trade platform. In 1907 occurred the third panic of the period, and it is often called “a rich man’s panic.” It began with the failure of a large New York bank. Soon the panic had spread to all sections of the country. Because of the scarcity of money, the banks in the larger centers used “clearing-house certificates” for making payments to customers and among themselves.<sup>1</sup> Fortunately, industry was

<sup>1</sup> Clearing house certificates had been used in 1873, 1884, and 1893 in increasing amounts. In the last-named year they had totalled \$69,000,000; in 1907 the amount was \$238,000,000.

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not affected as it had been in 1893, the chief difficulty being the scarcity of ready money. The fourth panic occurred in 1914, at the outbreak of the European war. Naturally, financial matters became unsettled, for no one knew what demands would be made on this country. Banks conserved their resources. The New York Stock Exchange closed its doors, thus shutting off the best market in the country for stocks and bonds. The effects of the panic, however, were not so severe as had been expected. Europe demanded little American gold; the making of munitions for the warring nations stimulated manufactures; moreover, the demand for American food-stuffs increased.

**394. Panics and Industrial Progress.**— Authorities disagree as to the cause of panics and crises, but at first glance we may perceive some of their effects on industry. They disorganize business and make production uncertain, and, by so doing, cause all classes of society to suffer hardships and losses. We may well believe, however, that some good comes from these disturbances. Industry is compelled to become more efficient, the less worthy establishments must improve their methods or fail, and, what is not less important, "hard times" force economies in individual and governmental expenses.

### ORAL AND WRITTEN EXERCISES

1. Locate on a map regional-bank cities and try to explain why these cities were selected.

- 
2. Where are the largest banks in the United States located?
  3. How do bank deposits aid industry?
  4. What are the different kinds of banking institutions?
  5. How do "building loan associations" aid industry?
  6. What is meant by elasticity of currency?
  7. Why are national bank notes said to be inelastic?
  8. Just how are reserve notes more elastic than national bank notes?
  9. How does note elasticity aid industry?
  10. How did the Bland-Allison Act differ from the Sherman Act?
  11. What is the "silver hoard"?

12. What is the gold reserve?
  13. Why was the Sherman Act repealed?
  14. Why did silver miners object to the repeal of the Sherman Act?
  15. What effect did the free silver agitation have on the old political parties?
  16. Why was President Cleveland's influence slight in the National Democratic Convention of 1896?
  17. Who were the leading candidates for president in 1896?
  18. What was the basis of the free silver agitation?
  19. Name the different kinds of money in circulation.
  20. What was the essential difference between the panic of 1893 and the panic of 1907?
  21. Why did the European war cause a panic in the United States?
- 

22. Suggested topics for oral or written report:
- Recent Modifications of the National Bank Law.
  - The Election of 1896.
  - The Use of Clearing House Certificates in 1907.
- 

23. Important dates:
- 1890 — Sherman Silver Purchase Act.
  - 1893 — Repeal of the Sherman Act.
  - 1893 — Panic.
  - 1896 — Free Silver Campaign.
  - 1900 — Gold Standard Act.
  - 1907 — Panic.
  - 1913 — Federal Reserve Act.
  - 1914 — Beginning of the European war.

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CHAPTER XXVI  
THE UNITED STATES AS A WORLD POWER  
1898-1917

**I. TERRITORIAL EXPANSION**

**395. The United States as a Continental Power.**— During the first century after the organization of the United States government the people were fully occupied in rounding out their continental possessions, or, as it was said a half century ago, in “following their manifest destiny.” Beginning in 1789 with an area of less than a million square miles bounded on the west by the Mississippi River, the government extended its jurisdiction by purchase and conquest until the Pacific Ocean was reached on the west and the Rio Grande River on the south. Thus, as Bishop Berkeley once wrote, the “course of empire” takes it westward way. In acquiring this vast territory, which is twice as great as that of all western Europe, the people were very generally of one accord. It is true that the abolitionists and some others opposed the Mexican war on the ground that it was but a scheme to secure new territory for slavery, but in spite of opposition such as this it seems safe to say that every act of the government required to extend the continental area of the United States had the sanction and support of the great majority of the people, and that the feeling was general that the United States government had a just claim to all the western country to the exclusion of other governments. With the Gadsden Purchase (1853), the rounding out process appears to have been completed and the definite boundaries of continental United States fixed. Apparently there was no thought in any quarter of extending the territorial jurisdiction of the government beyond the seas. In other words, the people were wedded to the policy of making the United States a one-continent nation.



**396. The War with Spain.**—Such a policy the United States might have pursued indefinitely, had not an unexpected event, the War with Spain, given the United States possession of several outlying territories.<sup>1</sup> The war itself was undertaken in the cause of humanity. For years the Spanish rule in Cuba had been extremely harsh.

Several times the Cubans had attempted unsuccessfully to throw off the Spanish yoke, only to find it made heavier after each failure.



*From American Press Association*

**The Battleship Maine in Havana Harbor**

In 1895 the Cubans revolted once more and organized a provisional government. For three years the soldiers of Spain harried the island from end to end, committing atrocities that shocked the civilized world. All this the United States government regarded with keen interest, protesting from time to time against the methods of warfare employed by the Spanish. Many Americans as individuals enrolled

<sup>1</sup> Alaska, which had been acquired by purchase from Russia in 1868, is detached from the rest of continental United States; nevertheless its acquisition involved no serious governmental problems, and did not, by any means, necessitate the formation of colonial policies.

in the Cuban army, while the majority of the people in the United States lent their moral support to the Cuban cause. The situation became more and more tense. At times the government found it difficult to maintain neutrality. Nevertheless, hostilities might have been avoided had not the United States Battleship *Maine* been blown up in Havana harbor (February 15, 1898). Instantly the people were aroused. They demanded war. Two months later hostilities opened between the United States and Spain. An American army defeated Spanish troops in the neighborhood of Santiago. In July, 1898, an American fleet destroyed several Spanish war vessels which were attempting to escape from Santiago harbor. In the meantime events of even greater importance had been taking place in the Orient. On May 1, Admiral Dewey at the head of an American fleet had forced his way into Manila harbor (Philippine Islands), where he destroyed several Spanish war vessels and reduced the land fortifications. A little later the Americans captured Manila and other important points on these islands. Thus the war was short and decisive. In the peace that followed (signed December 10, 1898), the Philippine Islands and Porto Rico became United States territory.<sup>1</sup>

<sup>1</sup>On April 19, 1898, Congress passed by a large majority a resolution declaring that Cuba should be free, that Spain must withdraw from the island, and that the president be empowered to enforce the decree with the military and naval forces of the United States. At the same time, Congress specifically denied any intention of exercising "sovereignty, jurisdiction, or control over the Island except for the pacification thereof." Contrary to the belief of other nations, Congress lived up to this resolution. Owing to threatened insurrections and domestic troubles, however, President Roosevelt, acting under the Platt Amendment, intervened in the summer of 1906. American occupation lasted for a few months, but the soldiers were then withdrawn and the native government was given another trial.

The Hawaiian Islands occupied considerable attention during the nineties. Just before Harrison retired from office a newly established government tried to negotiate a treaty of annexation with the United States. Cleveland, soon after his inauguration, started an investigation which revealed the fact that the Hawaiian Revolution owed its success, in part at least, to American assistance; hence the treaty was withdrawn from the Senate and the American flag hauled down from the government buildings at Honolulu. Our Senate by a unanimous vote declared that the Hawaiian Islands should maintain their own government free from the interference of the United States or any other nation. In spite of this, however, five years later, during the Spanish-American War, the islands were annexed to the United States by a joint resolution.

**397. Effects of the War.**—The effects of the war were many, but the ones with which we are chiefly concerned in this connection related to this country as a world power. The decisiveness of the victory directed the attention of European powers to the military strength of the "young western giant," and we may well believe that it gave them a better opinion of the United States as a nation. The



Fitzhugh Lee  
Born, 1835. Died, 1905

victory itself went far in bringing the North and South closer together. Southern boys fought nobly under General Miles, while northern boys were proud to have General Fitzhugh Lee or General Joseph Wheeler as their commander. Moreover, it gave the people a higher regard for their own fighting ability and made them consider more seriously the probability of future wars. The effects of the victory, in so far as the acquisition of over-sea territory was concerned, were even more important. It brought the American government face to face with the necessity of formulating definite colonial policies,

which up to that time it had never seriously considered, and concerning which it had little first-hand knowledge.

**398. America in the Orient.**—The retention of the Philippine Islands at the close of the War with Spain involved a radical change in the territorial policy of the United States. Prior to the war, as we have seen above, both the government and the people had followed for more than a century the policy of confining the country's territorial expansion to the North American continent. This govern-

ment had not attempted to colonize in other portions of the Earth, nor had it participated in the division of Africa. For that reason, it had enjoyed a "dignified isolation" free from serious international disputes. Possession of the Philippines, to repeat, forced a sudden change of policy. At once we had a keen interest in the Orient, which brought us into close contact with the politics and policies of the great powers of Europe. In short, the United States had suddenly become a world power, with the privileges and responsibilities that accompany colonial possessions.

The people of the country were divided over the question of retaining permanent control of the Philippines. Prompted by national pride and by a spirit of justice, few had opposed the acquisition of these islands. Many felt that the United States ought to help the natives establish a government as soon as possible and then withdraw its authority. They professed to regard the policy of permanent control as the first step toward imperialism. A majority of the people apparently believed otherwise, for they supported the president and Congress in establishing a government for the islands in which the natives themselves might participate.

From 1898 to 1902 there was considerable unrest, and as a result the government of the Philippines was kept under the direct oversight of military governors.<sup>1</sup> In the year 1902 this authority was transferred to the Philippine Commission, which comprised both Americans and natives. On October 16, 1907, the first session of the Philippine Legislature was formally opened by William H. Taft, who

<sup>1</sup> The leader of the Philippine revolt was Aguinaldo, who had headed an insurrection against the Spaniards in 1896. Admiral Dewey had intended to make an ally of Aguinaldo, "who in fact returned to the Philippines at the American commander's invitation on the United States gunboat 'McCulloch.'" Early in July, 1898, General Anderson also wanted the native chief to help against the Spaniards. When General Merritt arrived three weeks later, however, he held different views, and events started which culminated in the first exchange of blows between the American and Philippine forces in February, 1899. By the end of 1899, Aguinaldo found that his forces were not strong enough to meet the fifty thousand troops of the American army; hence he disbanded his forces and resorted to guerrilla fighting, which lasted for two years until "eventually by methods of organization and, unfortunately, sometimes by methods of fighting as well, similar to those of their foes, the American forces brought this phase of the war to an end also, just three years from the inception of hostilities."

was then Secretary of War. This legislature is elected by the inhabitants and it shares with the Commission the authority of making laws for the islands. It is the lower house, so to speak, while the Commission is the upper house. In addition, the Commission exercises executive functions. From time to time, agitations have arisen in this country to withdraw entirely from the islands, leaving the natives to manage their affairs as best they can. The people are not yet convinced, however, that the natives would be able to maintain self-government. Moreover, there is a feeling in many sections of the country that Japan would extend her sovereignty over the islands if the United States should withdraw.

**399. The Monroe Doctrine.**—One important point of contact between the United States and old-world power has been the Monroe Doctrine. A century ago (1823), President Monroe frankly declared to the world that any attempt of foreign nations to enlarge their colonial possessions in the new world would be considered by the United States as an unfriendly act.<sup>1</sup> As time went on, this declaration came more and more to be a fixed policy of the United States government. In adhering to this policy the United States has undertaken to protect American republics from European or Asiatic powers only in so far as the territorial integrity of the American republics is concerned. This does not mean, therefore, that we would interfere in a war, for instance, between Brazil and Great Britain.

The Monroe Doctrine has occasioned endless criticism of this country. European powers have often regarded the action of the

<sup>1</sup> In his Seventh Annual Message, December 2, 1823, President Monroe stated the heart of this doctrine as follows: "We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere. But with the Governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States." Reprinted in Richardson's *Messages and Papers of the Presidents*, vol. II, p. 218.

United States in assuming the rôle of "big brother" to the other republics as presumptuous. Nevertheless they have thus far declined to test its sincerity.<sup>1</sup> The American governments, which this doctrine was designed to protect, have also looked on it with more or less disfavor despite the fact that they have enjoyed its protection. Latin-American peoples are inclined to distrust the United States, professing to believe that this government is but waiting for an opportune time to extend its territory at their expense. In short, there has been, and is yet, less real friendship between the United States and the republics to the south than many of our public men would have us believe. Whatever may be the feeling in this continent and in Europe regarding the Monroe Doctrine, the significant fact remains that the United States has assumed tremendous responsibilities in adopting it as a governmental policy.

**400. The Panama Canal.**—One of the first results of the War with Spain was the building of the Panama Canal by the United States. For centuries the commercial interests of all nations had felt the need of a canal across the Isthmus of Panama. During the eighties (1881-1888), a French company had spent hundreds of millions of francs in an unsuccessful attempt to dig the canal. Prior to 1898, the United States had regarded the matter with a keen interest, though there appears to have been little agitation to make it a government enterprise. The War with Spain, however, brought the people to the realization that the country's defense would be greatly strengthened by a canal across the isthmus. Accordingly, the government undertook to acquire the right to construct such a canal. In 1901 Secretary of State John Hay negotiated with Great Britain a treaty

<sup>1</sup> Perhaps the severest strain on the Monroe Doctrine was in 1895, when Great Britain refused for a time to submit to arbitration in settling a boundary dispute between one of her colonies, British Guiana, and the Republic of Venezuela. In this connection President Cleveland declared that it was the duty of the United States "to resist by every means in its power, as a willful aggression upon its rights and interests, the appropriation by Great Britain of any lands or the exercise of governmental jurisdiction over any territory which after investigation we have determined of right belongs to Venezuela." Fortunately, the British government assumed a conciliatory attitude and the British people refused to get excited over the matter, thus obviating what might easily have meant war.

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in which that country gave up her canal rights on the isthmus. Two years later the government purchased the interests of the French company for \$40,000,000, and tried to persuade Colombia to give the United States permission to dig the canal. This Colombia refused to grant, with the result that Panama revolted and set up an independent republic. The United States then secured from Panama the



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### The Panama Canal

The Government Steamer *Cristobal* making trial trip (April 3 and 4, 1914) through the canal. This was the first steamship to pass through the canal, and on the first trip took  $11\frac{1}{2}$  hours to go from the Atlantic to the Pacific.

right to construct the canal. The Panama revolt was considered by Colombia to have been the result of intrigue on the part of the United States, and it is doubtful if the payment of a large sum of money to the Colombian government will establish really friendly relations between that country and the United States.

On May 4, 1904, work on the canal was begun. Ten years later (August 13, 1914) the first steamship, the *Cristobal*, passed through

the Canal. The total cost of the canal was about four hundred million dollars, and it is the general opinion that the money was well spent. The canal not only furnishes a more direct route from the eastern coast of the United States to the western coast and to Asia and South America, but it also adds greatly to the military strength of the country.<sup>1</sup>

## II. TRADE EXPANSION

### 401. Causes for the Trade Expansion of the United States.—

The causes of the great trade expansion which the United States began to enjoy twenty years ago were varied and complex. The War with Spain in 1898 increased the spirit of nationalism, and this spirit found expression in a continuation of high tariff rates for several years. The trust movement, which began about this time to assume gigantic proportions, was largely responsible for the rapid increase of American trade in foreign countries. Before this time, as has been pointed out in several connections, the manufactures of the country were ordinarily too small and they had too little capital to compete in foreign markets. The trusts with their huge capital, and economies in production, which always accompany large scale operations, were worthy competitors of the most efficient old-world establishments. The trusts established foreign branches, studied the demands of foreign markets, and spent large sums to call the attention of foreign peoples to the excellence of their products. A part of the trusts' success abroad has been the object of a great deal of criticism. They have been charged with selling goods in foreign countries at a lower price than that charged at home. Whatever the merits of the criticism, the significant fact remains that American trusts have invaded foreign markets to the dismay of their foreign competitors, and have aided materially in making the United States a world power.

<sup>1</sup> One of the most troublesome questions arising from the construction of the canal concerns its fortification. Though the United States government has provided rather expensive fortifications, many leading authorities insist that its capture by such a strong government as Germany or Great Britain would be comparatively easy.



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Other causes of trade expansion have been the increased wealth of the people of the United States, an increased population, improvements in banking facilities, and improvements in agriculture. Until the people had accumulated wealth enough to provide for a surplus which could be invested in manufactures there was little opportunity for industrial expansion abroad. A relatively large population was



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### Merchant Fleet in Gatun Lake, Panama Canal

The picture shows vessels waiting a clearing after a slide of earth in Culebra Cut. After this clearing was made, a new fleet of Japanese vessels entered the Atlantic trade.

also necessary, for as long as the people could find fertile public land the chief interest of the country was sure to be agriculture, and agriculture alone will scarcely make a nation a world power. Improved banking facilities increased the importance of the country's foreign trade by providing a market for bills of exchange and a means of extending and receiving credit. The influence of improved methods of agriculture has been more indirect; nevertheless it has been important in this connection. A great deal of farm labor has been set

free for other forms of industry without diminishing the output of food products. Thus the rapid strides made by the United States during the past two decades have resulted from several causes, one of which is industrial: improvements in manufactures and in agriculture, increase in wealth and population, and the economies of large scale production have each contributed to make this country a worthy contender of Great Britain and Germany.



*By Courtesy of International Harvester Company*

McCormick Binders in Argentina, South America.

**402. The United States in Foreign Markets.**—The industrial expansion of the United States is best shown by comparing the volume of foreign trade prior to 1898 with its growth since that time. In but one year prior to 1897 did either the imports or exports of the United States exceed a billion dollars. In 1900 the foreign trade passed the two billion dollars mark, reached the three billion mark in 1907 and in 1913 it was \$4,278,862,383. Three years later (1916) it exceeded six billion dollars. In 1898 the value of iron and steel exports was less than one hundred million dollars. By 1907 it had

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doubled, and at the outbreak of the European war (1914) it was \$251,480,677. The war itself created an abnormal demand for iron products which is not likely to continue in times of peace. Raw cotton exportation has had a similar growth. From \$230,442,215 in 1898 it grew to \$481,277,797 in 1907 and to \$610,475,301 in 1914. Certain industrial lines have had phenomenal success in foreign markets. The Standard Oil Company maintains offices and stations in every important industrial center. The Steel Trust has a wide foreign market. Wherever grain is grown one may find harvesting machinery of American make. Even the boot and shoe manufacturers have invaded cities like London and Paris, where they have established their own retail stores. American automobiles are extensively used in Europe as well as in South America and Asia. More and more, then, American products are finding their way into foreign markets and are becoming better known to foreign consumers. For that reason foreign manufacturers and governments regard this development as detrimental to their own interests.

### III. THE UNITED STATES AS A MILITARY POWER — PREPAREDNESS

403. **The Army and Navy.**—Comparisons of the strength of armies and navies are necessarily unsatisfactory. In comparing the tonnage of one navy with that of another, conclusions have little value, for no one has yet been able to determine the relative fighting strength, for example, of a dreadnaught and a submarine. Similar difficulties arise in comparing the strength of armies. Just how many fighting men are equivalent to an aeroplane or a rapid fire gun can be no more than a matter of speculation. Even if it were possible to fix exact relations between equipments or number of fighting men, it would be impossible to determine with any degree of exactness the relative strength of any two nations, for equipment differs widely in efficiency and men differ in courage and spirit. For these reasons, any attempt to show exactly the position of the United States as a world power by comparing its fighting strength with that of any other

nation would be futile. It is possible, however, to state well known facts and to quote recognized authorities, leaving each one to form his own opinion. We may safely say that the United States excels all other nations in wealth, and all other military nations, Russia and the British Empire excepted, in the number of men available for



*Copyright by Underwood & Underwood*

Battleships of the United States Navy  
Seven of them steaming out of Hampton Roads in battle formation

military service. In other words, the United States is a front rank nation in wealth and population. As to the naval and military strength of the different nations, we are less certain. The European war increased both the army and navy of the countries of that continent and caused the United States to enlarge its military forces and to enter on a program of naval construction. Prior to the war the best authorities agreed on the following:

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### ARMIES AND NAVIES OF LEADING NATIONS, 1914

Nation	Army		Ships	Navy		Annual Cost of Army and Navy Under Peace Footing
	Peace Footing	War Footing		Men		
Great Britain . . .	191,100	803,037	733	138,096		\$244,046,500
Germany . . . . .	790,985	3,350,000	323	73,000		243,328,975
France . . . . .	645,644	1,380,000	440	25,500		322,762,703
Russia . . . . .	1,200,000	4,000,000	269	53,500		434,769,390
United States . . .	96,387	.....	330	61,660		235,066,789

### EFFECTIVE FIGHTING SHIPS, 1914

Great Britain . . . . .	127	France . . . . .	30
Germany . . . . .	54	United States . . . . .	25

**404. The Problem of Preparedness.**— With the outbreak of the European War in 1914, the people of the United States divided over



Naval War College, Newport, Rhode Island

the question of military preparedness. One group, called by their opponents, militarists, favored a material increase in the strength of the army and the navy; the other group, known as pacifists, opposed any radical change in the already established policy of the country. Members of both groups were patriotic, and desired to see the United States stand in the front rank of nations. All desired international peace; the one group insisting that the way to keep out of war was to be prepared for it, the other, that preparation for war encouraged a people to make war on their neighbors, and invited other nations to make war on them.

During the summer of 1916, when it appeared for a time that war would break out between the United States and Mexico, the

controversy over preparedness reached fever heat. The militarists demanded that the government should take steps to enter on a definite policy which should have for its end a much stronger navy, and an army greatly increased in size and equipment. The pacifists, on the other hand, counseled patience, hoping to avoid war by showing Mexico in particular and the world in general that the United States believed that international differences could be settled by diplomacy.

**405. The United States in the World War.**—Such was the difference of opinion over the question of preparedness during the



Army War College, Washington, D. C.

year 1916 and for a few weeks in 1917. Each group labored zealously to gain the support of the people, many of whom appeared to be indifferent. Events of the late winter and early spring of 1917, however, stirred up the people and strengthened the cause of preparedness. In February (1917), Germany began a submarine warfare against neutrals who dared to enter a large restricted area in the northeast Atlantic. This drastic measure Germany undertook in the hope that Great Britain might be starved into making peace. The United States government protested in vain against the closing of the open sea to neutral commerce. Events ran rapidly. First, diplomatic relations were broken off with Germany, and finally in

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April, 1917, Congress solemnly declared that war existed between this country and the German Empire. This declaration is believed by many to have been the most momentous an American Congress has ever made, for it was the culmination of a series of events which forced the United States into a European alliance, thereby reversing a policy of aloofness first fathered by President Washington and later adopted and followed by the American people in their dealings with European affairs. As a result the United States is now (May, 1917) busily preparing to supply her European allies, particularly Great Britain, France, Italy, and Belgium, with money, supplies, and men.

### ORAL AND WRITTEN EXERCISES

1. Locate Cuba, Porto Rico, Philippine Islands, Hawaii.
2. How does the United States compare in size with Germany, England, Russia?  

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3. What is meant by the "course of empire" moving westward?
4. What caused the War with Spain?
5. What were the results of this war?
6. Why did many people oppose the retention of the Philippines?
7. How are the Philippines governed?
8. What is the Monroe Doctrine?
9. How do Europeans regard the Doctrine?
10. Why do the South American countries regard the United States with suspicion?
11. What caused the expansion of trade about 1898?
12. How does Europe regard this expansion?
13. Why is it difficult to compare the military strength of two countries?
14. In what respects is the United States a strong military country?  

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15. Suggested topics for oral or written reports:  
    The Colonial Policy of the United States.  
    The Problem of Preparedness.  

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16. Important dates:  
    1898 — War with Spain.  
    1916 — Mobilization of troops on the Mexican border.  
    1917 — United States joined allies in war on the Central Powers.

## SUPPLEMENTARY READING

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**The Philippines.**

- MILLER, H. H. Economic Conditions in the Philippines, especially pp. 349-342.  
COOLIDGE, A. C. The United States as a World Power, pp. 148-171.  
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**Expansion of Foreign Trade.**

- HOUGH, B. O. Ocean Traffic and Trade, pp. 412-428.  
WHELPLEY, J. D. The Trade of the World, pp. 391-425.  
The Nation's Business, Feb. 15, 1915, pp. 34, 35.

**Military Strength of the United States.**

- MAXIM, H. Defenseless America.  
Newspaper Almanacs, Index.

**Preparedness.**

- BRYAN, W. J. The War in Europe and its Lessons for Us. (Address at Johnstown, Pa., November 1, 1915. See contemporary newspapers).  
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## APPENDIX A

Conforming with the plan to emphasize American industrial activities and developments, which characterize the text throughout, there are here reprinted, either wholly or in part, five of the most important documents of that nature.

The *first*, the Navigation Act of 1660, was but one of the many attempts of the English government to control colonial trade; and an understanding of these attempts is necessary to a proper understanding of colonial development.

The *second* is a condensation of those portions of Hamilton's Report on Manufactures that relate to a protective tariff. This report has served as the basis of numerous historical writings, speeches, debates, and arguments. Hamilton wrote other important state papers, but his Report on Manufactures is the best known, and on it his reputation as a statesman largely rests.

The *third* document is President Jackson's famous Specie Circular. When this circular was issued (July, 1836), the country was enjoying an inflated prosperity built largely on wild speculations in land. Notes of hundreds of state banks circulated largely because they could be exchanged at the government land offices for public land. The Specie Circular robbed these notes of their value as "land office" money, with the result that almost all of them depreciated in value, and many became worthless. The panic of 1837 was the result.

The *fourth* document, the Civil Rights Act of 1866, was the forerunner of the Fourteenth Amendment to the Constitution. It illustrates how Congress tried to secure equal rights for the recently enfranchised slaves.

The so-called Sherman Anti-Trust Act of 1890 makes up the *fifth* document. This act reflects the feeling of Congress as that body attempted to curb the powers of the trusts. It has been modified several times since its passage, but the principles embodied in it, the restraint of monopoly, has never been abandoned.

### I. EXTRACT FROM THE NAVIGATION ACT OF 1660

Reprinted from the *Statutes of the Realm*, vol. v, pp. 246-250

An Act for the Encourageing and increasing of Shipping and Navigation

For the increase of Shipping and incouragement of the Navigation of this Nation, wherin under the good providence and protection of God

the Wealth Safety and Strength of this Kingdome is soe much concerned Bee it Enacted by the Kings most Excellent Majesty and by the Lords and Commons in this present Parliament assembled and the Authoritie therof That from and after the First day of December One thousand six hundred and sixty and from thence forward noe Goods or Commodities whatsoever shall be Imported into or Exported out of any Lands Islelands Plantations or Territories to his Majesty belonging or in his possession or which may hereafter belong unto or be in the possession of His Majesty His Heires and Successors in Asia Africa or America in any other Ship or Ships Vessell or Vessells whatsoever but in such Ships or Vessells as doe truely and without fraude belong onely to the people of England or Ireland Dominion of Wales or Towne of Berwicke upon Tweede, or are of the built of, and belonging to any of the said Lands Islands Plantations or Territories as the Proprietors and right Owners therof and wherof the Master and three fourthes of the Marriners at least are English under the penalty of the Forfeiture and Losse of all the Goods and Commodities which shall be Imported into, or Exported out of, any the aforesaid places in any other Ship or Vessell, as alsoe of the Ship or Vessell with all its Guns Furniture Tackle Ammunition and Apparell, . . .

And it is further Enacted . . . that noe Goods or Commodities whatsoever of the growth production or manufacture of Africa Asia or America or of any part thereof, or which are described or laid downe in the usuall Maps or Cards of those places be Imported into England Ireland or Wales Islands of Guernsey or Jersey or Towne of Berwicke upon Tweede in any other Ship or Ships Vessell or Vessells whatsoever, but in such as doe truely and without fraude belong onely to the people of England or Ireland, Dominion of Wales or Towne of Berwicke upon Tweede or of the Lands Islands Plantations or Territories in Asia Africa or America to his Majesty belonging as the proprietors and right owners therof, and wherof the Master and three fourthes at least of the Mariners are English under the penalty of the forfeiture of all such Goods and Commodities, and of the Ship or Vessell in which they were Imported with all her Guns Tackle Furniture Ammunition and Apparell, . . .

And it is further Enacted . . . that noe Goods or Commodities that are of forraigne growth production or manufacture and which are to be brought into England Ireland Wales, the Islands of Guernsey & Jersey or Towne of Berwicke upon Tweede in English built shipping, or other shipping belonging to some of the aforesaid places, and navigated by English Mariners as above-said shall be shipped or brought from any other place or Places, Country or Countries but onely from those of their said Growth Production or Manufacture, or from those Ports where the said Goods and Commodities can onely or are or usually have beene first shipped for transporta-

## HAMILTON'S REPORT ON MANUFACTURES, 1791 491

tion and from none other Places or Countreyes under the penalty of the forfeiture of all such of the aforesaid Goods as shall be Imported from any other place or Country contrary to the true intent and meaning hereof, as alsoe of the ship in which they were imported with all her Guns Furniture Ammunition Tackle and Apparel, . . .

And it is further Enacted . . . That from and after . . . [April 1, 1661] . . . noe Sugars Tobaccho Cotton Wool Indicoes Ginger Fustick or other dyeing wood of the Growth Production or Manufacture of any English Plantations in America Asia or Africa shall be shipped carryed conveyed or transported from any of the said English Plantations to any Land Island Territory Dominion Port or place whatsoever other then to such [other] English Plantations as doe belong to His Majesty His Heires and Successors or to the Kingdome of England or Ireland or Principallity of Wales or Towne of Berwicke upon Tweede there to be laid on shore under the penalty of the Forfeiture of the said Goods or the full value thereof, as alsoe of the Ship with all her Guns Tackle Apparel Ammunition and Furniture. . . .

### II. EXTRACT FROM HAMILTON'S REPORT ON MANUFACTURES

1791

Reprinted from *American State Papers*, vol. i (Finance), pp. 123, 125, 127-9, 132-8

The Secretary of the Treasury, in obedience to the order of the House of Representatives of the 15th day of January, 1790, has applied his attention, at as early a period as his other duties would permit, to the subject of Manufactures, and particularly to the means of promoting such as will tend to render the United States independent of foreign nations for military and other essential supplies; and he thereupon respectfully submits the following report:

The expediency of encouraging manufactures in the United States, which was not long since deemed very questionable, appears at this time to be pretty generally admitted. The embarrassments which have obstructed the progress of our external trade, have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce. The restrictive regulations, which, in foreign markets abridge the vent of the increasing surplus of our agricultural produce, serve to beget an earnest desire, that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise, in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope, that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be; and that it is not difficult to find, in its further extension, a

full indemnification for any external disadvantages, which are or may be experienced, as well as an accession of resources, favorable to national independence and safety.

There still are, nevertheless, respectable patrons of opinions unfriendly to the encouragement of manufactures. The following are, substantially, the arguments by which these opinions are defended.

“In every country (say those who entertain them), agriculture is the most beneficial and productive object of human industry. This position, generally, if not universally true, applies with peculiar emphasis to the United States, on account of their immense tracts of fertile territory, uninhabited and unimproved. Nothing can afford so advantageous an employment for capital and labor, as the conversion of this extensive wilderness into cultivated farms. Nothing, equally with this, can contribute to the population, strength, and real riches of the country.

“To endeavor, by the extraordinary patronage of government, to accelerate the growth of manufactures, is, in fact, to endeavor, by force and art, to transfer the natural current of industry from a more to a less beneficial channel. Whatever has such a tendency, must necessarily be unwise. Indeed, it can hardly ever be wise in a government to attempt to give a direction to the industry of its citizens. This, under the quick-sighted guidance of private interest, will, if left to itself, infallibly find its own way to the most profitable employment; and it is by such employment, that the public prosperity will be most effectually promoted. To leave industry to itself, therefore, is, in almost every case, the soundest as well as the simplest policy.

“This policy is not only recommended to the United States, by considerations which affect all nations; it is, in a manner, dictated to them by the imperious force of a very peculiar situation. The smallness of their population compared with their territory; the constant allurements to emigration from the settled to the unsettled parts of the country; the facility with which the less independent condition of an artisan can be exchanged for the more independent condition of a farmer; these, and similar causes, conspire to produce, and, for a length of time, must continue to occasion, a scarcity of hands for manufacturing occupation, and dearness of labor generally. To these disadvantages for the prosecution of manufactures, a deficiency of pecuniary capital being added, the prospect of a successful competition with the manufacturers of Europe, must be regarded as little less than desperate. Extensive manufactures can only be the offspring of a redundant, at least of a full population. Till the latter shall characterize the situation of this country, 'tis vain to hope for the former.

“If, contrary to the natural course of things, an unseasonable and premature spring can be given to certain fabrics, by heavy duties, prohibitions,

bounties, or by other forced expedients, this will only be to sacrifice the interests of the community to those of particular classes. Besides the misdirection of labor, a virtual monopoly will be given to the persons employed on such fabrics; and an enhancement of price, the inevitable consequence of every monopoly, must be defrayed at the expense of the other parts of the society. It is far preferable, that those persons should be engaged in the cultivation of the earth, and that we should procure, in exchange for its productions, the commodities with which foreigners are able to supply us in greater perfection and upon better terms." . . .

To affirm that the labor of the manufacturer is unproductive, because he consumes as much of the produce of land as he adds value to the raw material which he manufactures, is not better founded, than it would be to affirm that the labor of the farmer, which furnishes materials to the manufacturer, is unproductive, because he consumes an equal value of manufactured articles. Each furnishes a certain portion of the produce of his labor to the other, and each destroys a correspondent portion of the produce of the other. In the mean time, the maintenance of two citizens, instead of one is going on; the State has two members instead of one; and they, together, consume twice the value of what is produced from the land.

If, instead of a farmer and artificer, there were a farmer only, he would be under the necessity of devoting a part of his labor to the fabrication of clothing, and other articles, which he would procure of the artificer, in the case of there being such a person; and of course he would be able to devote less labor to the cultivation of his farm, and would draw from it a proportionably less product. The whole quantity of production, in this state of things, in provisions, raw materials, and manufactures, would certainly not exceed in value the amount of what would be produced in provisions and raw materials only, if there were an artificer as well as a farmer.

Again, if there were both an artificer and a farmer, the latter would be left at liberty to pursue exclusively the cultivation of his farm. A greater quantity of provisions and raw materials would, of course, be produced, equal, at least, as has been already observed, to the whole amount of the provisions, raw materials, and manufactures, which would exist on a contrary supposition. The artificer, at the same time would be going on in the production of manufactured commodities, to an amount sufficient, not only to repay the farmer, in those commodities, for the provisions and materials which were procured from him, but to furnish the artificer himself, with supply of similar commodities for his own use. Thus, then, there would be two quantities or values in existence, instead of one; and the revenue and consumption would be double, in one case, what it would be in the other.

If, in place of both these suppositions, there were supposed to be two

farmers and no artificer, each of whom applied a part of his labor to the culture of land, and another part to the fabrication of manufactures; in this case, the portion of the labor of both bestowed, upon land, would produce the same quantity of provisions and raw materials only, as would be produced by the entire sum of the labor of one, applied in the same manner; and the portion of the labor of both, bestowed upon manufactures, would produce the same quantity of manufactures only, as would be produced by the entire sum of the labor of one, applied in the same manner. Hence, the produce of the labor of the two farmers would not be greater than the produce of the labor of the farmer and artificer; and hence it results, that the labor of the artificer is as positively productive as that of the farmer, and as positively augments the revenue of the society. . . .

It is evident, that the exertions of the husbandman will be steady or fluctuating, vigorous or feeble, in proportion to the steadiness or fluctuation, adequateness or inadequateness of the markets on which he must depend, for the vent of the surplus which may be produced by his labor; and that such surplus, in the ordinary course of things, will be greater or less in the same proportion.

For the purpose of this vent, a domestic market is greatly to be preferred to a foreign one; because it is, in the nature of things, far more to be relied upon.

It is a primary object of the policy of nations, to be able to supply themselves with subsistence from their own soils; and manufacturing nations, as far as circumstances permit, endeavor to procure from the same source, the raw materials necessary for their own fabrics. This disposition, urged by the spirit of monopoly, is sometimes even carried to an injudicious extreme. It seems not always to be recollected, that nations, who have neither mines nor manufactures, can only obtain the manufactured articles of which they stand in need, by an exchange of the products of their soils; and that, if those who can best furnish them with such articles, are unwilling to give a due course to this exchange, they must, of necessity, make every possible effort to manufacture for themselves; the effect of which is, that the manufacturing nations abridge the natural advantages of their situation, through an unwillingness to permit the agricultural countries to enjoy the advantages of theirs, and sacrifice the interests of a mutually beneficial intercourse to the vain project of selling everything and buying nothing.

But it is also a consequence of the policy which has been noted, that the foreign demands for the products of agricultural countries, is, in a great degree, rather casual and occasional, than certain or constant. To what extent injurious interruptions of the demand for some of the staple commodities of the United States may have been experienced from that

cause, must be referred to the judgment of those who are engaged in carrying on the commerce of the country; but, it may be safely affirmed, that such interruptions are, at times, very inconveniently felt, and that cases not unfrequently occur, in which markets are so confined and restricted as to render the demand very unequal to the supply.

Independently, likewise, of the artificial impediments which are created by the policy in question, there are natural causes tending to render the external demand for the surplus of agricultural nations of precarious reliance. The differences of seasons in the countries which are the consumers, make immense differences in the produce of their own soils, in different years; and consequently in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time in the countries which are the furnishers, occasion, of course, a glut in the markets of the latter.

Considering how fast, and how much the progress of new settlements, in the United States, must increase the surplus produce of the soil, and weighing seriously the tendency of the system which prevails among most of the commercial nations of Europe; whatever dependence may be placed on the force of natural circumstances to counteract the effects of an artificial policy, there appear strong reasons to regard the foreign demand for that surplus, as too uncertain a reliance, and to desire a substitute for it in an extensive domestic market.

To secure such a market there is no other expedient than to promote manufacturing establishments. Manufacturers, who constitute the most numerous class, after the cultivators of land, are for that reason the principal consumers of the surplus of their labor.

This idea of an extensive domestic market for the surplus produce of the soil, is of the first consequence. It is, of all things, that which most effectually conduces to a flourishing state of agriculture. If the effect of manufactories should be to detach a portion of the hands which would otherwise be engaged in tillage, it might possibly cause a smaller quantity of lands to be under cultivation; but, by their tendency to procure a more certain demand for the surplus produce of the soil, they would, at the same time, cause the lands which were in cultivation to be better improved and more productive. And while, by their influence, the condition of each individual farmer would be ameliorated, the total mass of agricultural production would probably be increased. For this must evidently depend as much upon the degree of improvement, if not more, than upon the number of acres under culture.

It merits particular observation, that the multiplication of manufactories not only furnishes a market for those articles which have been accustomed to be produced in abundance in a country; but it likewise



creates a demand for such as were either unknown, or produced in considerable quantities. The bowels, as well as the surface of the earth, are ransacked for articles which were before neglected. Animals, plants, and minerals acquire an utility and value which were before unexplored. . . .

The remaining objections to a particular encouragement of manufactures in the United States, now require to be examined.

One of these turns on the proposition, that industry, if left to itself, will naturally find its way to the most useful and profitable employment. Whence it is inferred, that manufactures, without the aid of government, will grow up as soon and as fast as the natural state of things and the interest of the community may require.

Against the solidity of this hypothesis, in the full latitude of the terms, very cogent reasons may be offered. These have relation to the strong influence of habit and the spirit of imitation; the fear of want of success in untried enterprises, the intrinsic difficulties incident to first essays towards a competition with those who have previously attained to perfection in the business to be attempted; the bounties, premiums, and other artificial encouragements, with which foreign nations second the exertions of their own citizens, in the branches in which they are to be rivaled.

Experience teaches, that men are often so much governed by what they are accustomed to see and practice, that the simplest and most obvious improvements, in the most ordinary occupations, are adopted with hesitation, reluctance, and by slow gradations. The spontaneous transition to new pursuits, in a community long habituated to different ones, may be expected to be attended with proportionable greater difficulty. When former occupations ceased to yield a profit adequate to the subsistence of their followers; or when there was an absolute deficiency of employment in them, owing to the superabundance of hands, changes would ensue; but these changes would be likely to be more tardy than might consist with the interest either of individuals or of the society. In many cases they would not happen, while a bare support could be insured by an adherence to ancient courses, though a resort to a more profitable employment might be practicable. To produce the desirable changes as early as may be expedient, may therefore require the incitement and patronage of government.

The apprehension of failing in new attempts, is, perhaps, a more serious impediment. These are dispositions apt to be attracted by the mere novelty of an undertaking; but these are not always those best calculated to give it success. To this, it is of importance that the confidence of cautious, sagacious capitalists, both citizens and foreigners, should be excited. And to inspire this description of persons with confidence, it is essential that they should be made to see in any project which is new — and for

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that reason alone, if for no other — precarious, the prospect of such a degree of countenance and support from government, as may be capable of overcoming the obstacles inseparable from first experiments.

The superiority antecedently enjoyed by nations who have preoccupied and perfected a branch of industry, constitutes a more formidable obstacle than either of those which have been mentioned, to the introduction of the same branch into a country in which it did not before exist. To maintain, between the recent establishments of one country, and the long matured establishments of another country, a competition upon equal terms, both as to quality and price, is, in most cases, impracticable. The disparity, in the one, or in the other, or in both, must necessarily be so considerable, as to forbid a successful rivalry, without the extraordinary aid and protection of government.

But the greatest obstacle of all to the successful prosecution of a new branch of industry, in a country in which it was before unknown, consists, as far as the instances apply, in the bounties, premiums, and other aids, which are granted in a variety of cases, by the nations in which the establishments to be imitated are previously introduced. It is well known . . . that certain nations grant bounties on the exportation of particular commodities, to enable their own workmen to undersell and supplant all competitors, in the countries to which those commodities are sent. Hence the undertakers of a new manufacture have to contend, not only with natural disadvantages of a new undertaking, but with the gratuities and remunerations which other governments bestow. To be enabled to contend with success, it is evident that the interference and aid of their own governments are indispensable.

Combinations by those engaged in a particular branch of business, in one country, to frustrate the first efforts to introduce it into another, by temporary sacrifices, recompensed, perhaps, by extraordinary indemnifications of the government of such country, are believed to have existed, and are not to be regarded as destitute of probability. The existence or assurance of aid from the government of the country in which the business is to be introduced, may be essential to fortify adventurers against the dread of such combination; to defeat their effects, if formed; and to prevent their being formed, by demonstrating that they must in the end prove fruitless.

Whatever room there may be for an expectation, that the industry of a people, under the direction of private interest, will, upon equal terms, find out the most beneficial employment for itself, there is none for a reliance, that it will struggle against the force of unequal terms, or will, of itself surmount all the adventitious barriers to a successful competition, which may have been erected, either by the advantages naturally acquired from practice, and previous possession of the ground, or by those which may have

sprung from positive regulations and an artificial policy. This general reflection might alone suffice as an answer to the objection under examination, exclusively of the weighty considerations which have been particularly urged. . . .

There remains to be noticed an objection to the encouragement of manufactures, of a nature different from those which question the probability of success. This is derived from its supposed tendency to give a monopoly of advantages to particular classes, at the expense of the rest of the community, who, it is affirmed, would be able to procure the requisite supplies of manufactured articles on better terms from foreigners than from our own citizens; and who, it is alleged, are reduced to a necessity of paying an enhanced price for whatever they want, by every measure which obstructs the free competition of foreign commodities.

It is not an unreasonable supposition, that measures which serve to abridge the free competition of foreign articles, have a tendency to occasion an enhancement of prices; and it is not to be denied that such is the effect, in a number of cases; but the fact does not uniformly correspond with the theory. A reduction of prices has, in several instances, immediately succeeded the establishment of a domestic manufacture. Whether it be that foreign manufacturers endeavor to supplant, by underselling our own, or whatever else be the cause, the effect has been such as is stated, and the reverse of what might have been expected.

But, though it were true that the immediate and certain effect of regulations controlling the competition of foreign with domestic fabrics, was an increase of prices, it is universally true that the contrary is the ultimate effect with every successful manufacture. When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it invariably becomes cheaper. Being free from the heavy charges which attend the importation of foreign commodities, it can be afforded, and accordingly seldom or never fails to be sold cheaper, in process of time, than was the foreign article for which it is a substitute. The internal competition which takes place, soon does away with everything like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing, and with experience.

Whence it follows that it is the interest of a community, with a view to eventual and permanent economy, to encourage the growth of manufactures. In a national view, a temporary enhancement of price must always be well compensated by a permanent reduction of it.

It is a reflection which may with propriety be indulged here, that this eventual diminution of the prices of manufactured articles, which is the result of internal manufacturing establishments, has a direct and very im-

portant tendency to benefit agriculture. It enables the farmer to procure, with a smaller quantity of his labor, the manufactures produce of which he stands in need, and consequently increases the value of his income and property. . . .

1. There seems to be a moral certainty that the trade of a country, which is both manufacturing and agricultural, will be more lucrative and prosperous than that of a country which is merely agricultural.

One reason for this is found in that general effort of nations . . . to procure from their own soils, the articles of prime necessity requisite to their own consumption and use, and which serves to render their demand for foreign supply of such articles, in a great degree, occasional and contingent. Hence, while the necessities of nations, exclusively devoted to agriculture, for the fabrics of manufacturing States, are constant and regular, the wants of the latter for the products of the former are liable to very considerable fluctuations and interruption. The great inequalities resulting from difference of seasons, have been, elsewhere, remarked. This uniformity of demand on one side, and unsteadiness of it on the other, must necessarily have a tendency to cause the general course of the exchange of commodities between the parties, to turn to the disadvantage of the merely agricultural States. Peculiarity of situation, a climate and soil adapted to the production of peculiar commodities, may, sometimes, contradict the rule, but there is every reason to believe that it will be found, in the main, a just one.

Another circumstance, which gives a superiority of commercial advantages to States that manufacture as well as cultivate consists in the more numerous attractions which a more diversified market offers to foreign customers, and in the greater scope which it affords to mercantile enterprise. It is a position of indisputable truth, in commerce depending too on very obvious reasons, that the greatest resort will ever be to those marts where commodities, while equally abundant, are most various. Each difference of kind holds out an additional inducement; and it is a position not less clear, that the fields of enterprise must be enlarged to the merchants of a country, in proportion to the variety, as well as the abundance of commodities which they find at home, for exportation to foreign markets.

A third circumstance, perhaps not inferior to either of the other two, conferring the superiority which has been stated, has relation to the stagnations of demand for certain commodities, which, at some time or other, interfere more or less with the sale of all. The nation which can bring to market but few articles, is likely to be more quickly and sensibly affected by such stagnations, than one which is always possessed of a great variety of commodities: the former frequently finds too great a proportion of its

stock of materials for sale or exchange, lying on hand, or is obliged to make injurious sacrifices to supply its wants of foreign articles, which are numerous and urgent, in proportion to the smallness of the number of its own. The latter commonly finds itself indemnified by the high prices of some articles, for the low prices of other; and the prompt and advantageous sale of those articles which are in demand, enables its merchants the better to wait for a favorable change in respect to those which are not. There is ground to believe that a difference of situation, in this particular, has immensely different effects upon the wealth and prosperity of nations.

From these circumstances, collectively, two important inferences are to be drawn: one, that there is always a higher probability of a favorable balance of trade, in regard to countries in which manufactures, founded on the basis of a thriving agriculture, flourish, than in regard to those which are confined wholly, or almost wholly, to agriculture; the other (which is also a consequence of the first), that countries of the former description are likely to possess more pecuniary wealth, or money, than those of the latter.

Facts appear to correspond with this conclusion. The importations of manufactured supplies seem invariably to drain the merely agricultural people of their wealth. Let the situation of the manufacturing countries of Europe be compared, in this particular, with that of countries which only cultivate, and the disparity will be striking. Other causes, it is true, help to account for this disparity between some of them; and among these causes, the relative state of agriculture; but between others of them, the most prominent circumstances of dissimilitude arises from the comparative state of manufactures. In corroboration of the same idea, it ought not to escape remark, that the West India Islands, the soils of which are the most fertile, and the nation which, in the greatest degree, supplies the rest of the world with the precious metals, exchange to a loss, with almost every other country. . . .

As, in most countries, domestic supplies maintain a very considerable competition with such foreign productions of the soil as are imported for sale, if the extensive establishment of manufactories in the United States does not create a similar competition in respect to manufactured articles, it appears to be clearly deducible, from the considerations which have been mentioned, that they must sustain a double loss in their exchanges with foreign nations, strongly conducive to an unfavorable balance of trade, and very prejudicial to their interests.

These disadvantages press, with no small weight, on the landed interest of the country. In the seasons of peace they cause a serious deduction from the intrinsic value of the products of the soil. In the time of war, which should either involve ourselves, or another nation possessing a considerable share of our carrying trade, the charges on the transportation of our com-

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modities, bulky as most of them are, could hardly fail to prove a grievous burden to the farmer, while obligated to depend, in so great a degree as he now does, upon foreign markets, for the vent of the surplus of his labor.

As far as the prosperity of the fisheries of the United States is impeded by the want of an adequate market, there arises another special reason for desiring the extension of manufactures. Besides the fish, which, in many places, would be likely to make a part of the subsistence of the persons employed, it is known that the oils, bones, and skins, of marine animals, are of extensive use in various manufactures. Hence, the prospect of an additional demand for the produce of the fisheries.

One more point of view only remains, in which to consider the expediency of encouraging manufactures in the United States.

It is not uncommon to meet with an opinion, that, though the promoting of manufactures may be the interest of a part of the Union, it is contrary to that of another part. The Northern and Southern regions are sometimes represented as having adverse interests in this respect. Those are called manufacturing, these agricultural States; and species of opposition is imagined to subsist between the manufacturing and agricultural interests.

This idea of an opposition between those two interests, is the common error of the early periods of every country; but experience gradually dissipates it. Indeed, they are perceived so often to succor and to befriend each other, that they come at length to be considered as one — a supposition which has been frequently abused, and is not universally true. Particular encouragements of particular manufactures may be of a nature to sacrifice the interests of landholders to those of manufacturers; but it is nevertheless a maxim, well established by experience, and generally acknowledged, where there has been sufficient experience, that, the aggregate prosperity of manufactures and the aggregate prosperity of agriculture are intimately connected. In the course of the discussion which has had place, various weighty considerations have been adduced, operating in support of that maxim. Perhaps the superior steadiness of the demand of a domestic market, for the surplus produce of the soil, is, alone, a convincing argument of its truth.

Ideas of a contrariety of interests between the Northern and Southern regions of the Union, are, in the main, as unfounded as they are mischievous. The diversity of circumstances, on which such contrariety is usually predicated, authorizes a directly contrary conclusion. Mutual wants constitute one of the strongest links of political connection; and the extent of these bears a natural proportion to the diversity in the means of mutual supply.

Suggestions of an opposite complexion are ever to be deplored, as unfriendly to the steady pursuit of one great common cause, and to the perfect harmony of all the parts.

In proportion as the mind is accustomed to trace the intimate connection of interest which subsists between all the parts of a society, united under the same government, the infinite variety of channels which serve to circulate the prosperity of each, to and through the rest — in that proportion will it be little apt to be disturbed by solicitudes and apprehensions, which originate in local discriminations. It is a truth, as important as it is agreeable, and one to which it is not easy to imagine exceptions, that everything tending to establish substantial and permanent order in the affairs of a country, to increase the total mass of industry and opulence, is ultimately beneficial to every part of it. On the credit of this great truth, an acquiescence may safely be accorded, from every quarter, to all institutions and arrangements which promise a confirmation of public order and an augmentation of national resource.

But there are more particular considerations which serve to fortify the idea that the encouragement of manufactures in the interest of all parts of the Union. If the Northern and Middle States should be the principal scenes of such establishments, they would immediately benefit the more Southern, by creating a demand for productions, some of which they have in common with the other States, and others, which are either peculiar to them, or more abundant, or of better quality, than elsewhere. These productions, principally, are timber, flax, hemp, cotton, wool, raw silk, indigo, iron, lead, furs, hides, skins, and coals. Of these articles, cotton and indigo are peculiar to the Southern States, as are, hitherto, lead and coal; flax and hemp are, or may be, raised in greater abundance there, than in the more Northern States; and the wool of Virginia is said to be of better quality than that of any other State — a circumstance rendered the more probable, by the reflection, that Virginia embraces the same latitudes with the finest wool countries of Europe. The climate of the South is also better adapted to the production of silk.

The extensive cultivation of cotton, can, perhaps, hardly be expected but from the previous establishment of domestic manufactories of the article; and the surest encouragement and vent for the other, would result from similar establishments in respect to them. . . .

In order to a better judgment of the means proper to be resorted to by the United States, it will be of use to advert to those which have been employed with success in other countries. The principal of these are:

1. *Protecting duties — or duties on those foreign articles which are the rivals of the domestic ones intended to be encouraged.*

Duties of this nature evidently amount to a virtual bounty on the domestic fabrics; since, by enhancing the charges on foreign articles, they enable the national manufacturers to undersell all their foreign competitors. The propriety of this species of encouragement need not be

dwelt upon, as it is not only a clear result from the numerous topics which have been suggested, but is sanctioned by the laws of the United States, in a variety of instances; it has the additional recommendation of being a resource of revenue. Indeed, all the duties imposed on imported articles, though with an exclusive view to revenue, have the effect, in contemplation, and, except where they fall on raw materials, bear a beneficent aspect towards the manufacturers of the country.

2. *Prohibitions of rival articles, or duties equivalent to prohibitions.*

This is another and an efficacious mean of encouraging national manufactures; but, in general, it is only fit to be employed when a manufacture has made such progress, and is in so many hands, as to insure a due competition, and an adequate supply on reasonable terms. Of duties equivalent to prohibitions, there are examples in the laws of the United States; and there are other cases, to which the principle may be advantageously extended, but they are not numerous.

Considering a monopoly of the domestic market to its own manufacturers as the reigning policy of manufacturing nations, a similar policy, on the part of the United States, in every proper instance, is dictated, it might almost be said, by the principles of distributive justice; certainly, by the duty of endeavoring to secure to their own citizens a reciprocity of advantages.

3. *Prohibitions of the exportation of the materials of manufactures.*

The desire of securing a cheap and plentiful supply for the national workmen; and, where the article is either peculiar to the country, or of peculiar quality there, the jealousy of enabling foreign workmen to rival those of the nation with its own materials, are the leading motives to the species of regulation. It ought not to be affirmed, that it is in no instance proper; but is, certainly, one which ought to be adopted with great circumspection, and only in very plain cases. It is seen at once, that its immediate operation is to abridge the demand, and keep down the price of the produce of some other branch of industry — generally speaking, of agriculture — to the prejudice of those who carry it on; and though, if it be really essential to the prosperity of any very important national manufacture, it may happen that those who are injured, in the first instance, may be, eventually, indemnified by the superior steadiness of an extensive domestic market, depending on that prosperity; yet, in a matter in which there is so much room for nice and difficult combinations, in which such opposite considerations combat each other, prudence seems to dictate that the expedient in question ought to be indulged with a sparing hand.

4. *Pecuniary bounties.*

This has been found one of the most efficacious means of encouraging manufactures, and it is, in some views, the best. Though it has not yet



been practiced upon by the Government of the United States (unless the allowance on the exportation of dried and pickled fish and salted meat could be considered as a bounty) and though it is less favored by public opinion than some other modes, its advantages are these:

1. It is a species of encouragement more positive and direct than any other, and, for that very reason, has a more immediate tendency to stimulate and uphold new enterprises, increasing the chances of profit, and diminishing the risks of loss, in the first attempts.

2. It avoids the inconvenience of a temporary augmentation of price, which is incident to some other modes; or it produces it to a less degree, either by making no addition to the charges on the rival foreign articles, as in the case of protecting duties, or by making a smaller addition. The first happens when the fund for the bounty is derived from a different object (which may or may not increase the price of some other article, according to the nature of that object) the second, when the fund is derived from the same, or a similar object, of foreign manufacture. One per cent duty on the foreign article, converted into a bounty on the domestic, will have an equal effect with a duty of two per cent, exclusive of such bounty; and the price of the foreign commodity is liable to be raised, in the one case, in the proportion of one per cent; in the other in that of two per cent. Indeed, the bounty, when drawn from another source, is calculated to promote a reduction of price; because, without laying any new charge on the foreign article, it serves to introduce a competition with it, and to increase the total quantity of the article in the market.

3. Bounties have not, like high protecting duties, a tendency to produce scarcity. An increase of price is not always the immediate, though, where the progress of a domestic manufacture does not counteract a rise, it is, commonly, the ultimate effect of an additional duty. In the interval between the laying of the duty and a proportional increase of price, it may discourage importation, by interfering with the profits to be expected from the sale of the article.

4. Bounties are sometimes, not only the best, but the only proper expedient for uniting the encouragement of a new object of agriculture with that of a new object of manufacture. It is the interest of the farmer to have the production of the raw material promoted by counteracting the interference of the foreign material of the same kind. It is the interest of the manufacturer to have the material abundant and cheap. If, prior to the domestic production of the material, in sufficient quantity to supply the manufacturer on good terms, a duty be laid upon the importation of it from abroad, with a view to promote the raising of it at home, the interest both of the farmer and manufacturer will be disserved. By either destroying the requisite supply, or raising the price of the article beyond what can

be afforded to be given for it by the conductor of an infant manufacture, it is abandoned or fails; and there being no domestic manufactories to create a demand for the raw material, which is raised by the farmer, it is in vain that the competition of the like foreign article may have been destroyed.

It cannot escape notice, that a duty upon the importation of an article can no otherwise aid the domestic production of it, that [than] by giving the latter greater advantages in the home market. It can have no influence upon the advantageous sale of the article produced in foreign markets — no tendency, therefore, to promote its exportation.

The true way to conciliate these two interests is to lay a duty on foreign manufactures of the material, the growth of which is desired to be encouraged, and to apply the produce of that duty, by way of bounty, either upon the production of the material itself, or upon its manufacture at home, or upon both. In this disposition of the thing, the manufacturer commences his enterprise under every advantage which is attainable, as to quantity or price of the raw material; and the farmer, if the bounty be immediately to him, is enabled by it to enter into a successful competition with the foreign material. If the bounty be to the manufacturer, on so much of the domestic material as he consumes, the operation is nearly the same; he has a motive of interest to prefer the domestic commodity, if of equal quality, even at a higher price than the foreign, so long as the difference of price is anything short of the bounty which is allowed upon the article.

Except the simple and ordinary kinds of household manufacture, or those for which there are very commanding local advantages, pecuniary bounties are, in most cases, indispensable to the introduction of a new branch. A stimulus and a support, not less powerful and direct, is, generally speaking, essential to the overcoming of the obstacles which arise from the competitions of superior skill and maturity elsewhere. Bounties are especially essential in regard to articles upon which those foreigners, who have been accustomed to supply a country, are in the practice of granting them.

The continuance of bounties on manufactures long established, must almost always be of questionable policy: because a presumption would arise, in every such case, that there were natural and inherent impediments to success. But, in new undertakings, they are as justifiable as they are oftentimes necessary.

There is a degree of prejudice against bounties, from an appearance of giving away the public money without an immediate consideration, and from a supposition that they serve to enrich particular classes, at the expense of the community.

But neither of these sources of dislike will bear a serious examination.

There is no purpose to which public money can be more beneficially applied, than to the acquisition of a new and useful branch of industry; no consideration more valuable, than a permanent addition to the general stock of productive labor.

As to the second source of objection, it equally lies against other modes of encouragement, which are admitted to be eligible. As often as a duty upon a foreign article makes an addition to its price, it causes an extra expense to the community for the benefit of the domestic manufacturer. A bounty does no more.

But it is the interest of the society, in each case, to submit to a temporary expense — which is more than compensated by an increase of industry and wealth; by an augmentation of resources and independence; and by the circumstance of eventual cheapness, which has been noticed in another place.

It would deserve attention, however, in the employment of this species of encouragement in the United States, as a reason for moderating the degree of it in the instances in which it might be deemed eligible, that the great distance of this country from Europe imposes very heavy charges on all the fabrics which are brought from thence, amounting to from fifteen per cent to thirty per cent on their value, according to their bulk.

A question has been made concerning the constitutional right of the Government of the United States to apply this species of encouragement; but there is certainly no good foundation for such a question. The National Legislature has express authority "to lay and collect taxes, duties, imposts, and excises; to pay the debts, and provide for the common defense and general welfare," with no other qualifications than that "all duties, imposts, and excises, shall be uniform throughout the United States; that no capitation or other direct tax shall be laid, unless in proportion to numbers, ascertained by a census or enumeration, taken on the principles prescribed in the constitution," and that "no tax or duty shall be laid on articles exported from any State."

These three qualifications excepted, the power to raise money is plenary and indefinite; and the objects to which it may be appropriated, are no less comprehensive than the payment of the public debts, and the providing for the common defense and general welfare. The terms "general welfare" were doubtless intended to signify more than was expressed or imported in those which preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used; because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the "general welfare;" and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specifications nor of definition.

It is, therefore, of necessity, left to the discretion of the National Legislature to pronounce upon the objects which concern the general welfare, and for which, under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt, that whatever concerns the general interests of learning, of agriculture, of manufactures, and of commerce, are within the sphere of the national councils, as far as regards an application of money.

The only qualification of the generality of the phrase in question, which seems to be admissible, is this: That the object, to which an appropriation of money is to be made, be general, and not local; its operation extending, in fact, or by possibility, throughout the Union, and not being confined to a particular spot.

No objection ought to arise to this construction, from a supposition that it would imply a power to do whatever else should appear to Congress conducive to the general welfare. A power to appropriate money with this latitude, which is granted, too, in express terms, would not carry a power to do any other thing not authorized in the Constitution, either expressly or by fair implication.

#### 5. *Premiums.*

These are of a nature allied to bounties, though distinguishable from them in some important features.

Bounties are applicable to the whole quantity of an article produced, or manufactured, or exported, and involve a correspondent expense. Premiums serve to reward some particular excellence or superiority, some extraordinary exertion or skill, and are dispensed only in a small number of cases. But their effect is to stimulate general effort; contrived so as to be both honorary and lucrative, they address themselves to different passions — touching the chords, as well of emulation as of interest. They are, accordingly, a very economical mean of exciting the enterprise of a whole community.

There are various societies, in different countries, whose object is the dispensation of premiums for the encouragement of agriculture, arts, manufactures, and commerce; and though they are, for the most part, voluntary associations with comparatively slender funds, their utility has been immense. Much has been done, by this means, in Great Britain. Scotland, in particular, owes, materially to it, a prodigious amelioration of condition. From a similar establishment in the United States, supplied and supported by the Government of the Union, vast benefits might, reasonably, be expected. . . .

#### 6. *The exemption of the materials of manufactures from duty.*

The policy of that exemption, as a general rule, particularly in reference to new establishments, is obvious. It can hardly ever be advisable to add

the obstructions of fiscal burthens to the difficulties which naturally embarrass a new manufacture; and where it is matured, and in condition to become an object of revenue, it is, generally speaking, better that the fabric, than the material, should be the subject of taxation. Ideas of proportion between the quantum of the tax and the value of the article, can be more easily adjusted in the former than in the latter case. An argument for exemptions of this kind, in the United States, is to be derived from the practice, as far as their necessities have permitted, of those nations whom we are to meet as competitors in our own and in foreign markets.

There are, however, exceptions to it, of which some examples will be given under the next head.

The laws of the Union afford instances of the observance of the policy here recommended, but it will probably be found advisable to extend it to some other cases. Of a nature, bearing some affinity to that policy, is the regulation which exempts from duty the tools and implements, as well as the books, clothes, and household furniture, of foreign artists, who come to reside in the United States — an advantage already secured to them by the laws of the Union, and which it is, in every view, proper to continue.

*7. Drawbacks of the duties which are imposed on the materials of manufactures.*

It has already been observed, as a general rule, that duties on those materials ought, with certain exceptions, to be forborne. Of these exceptions, three cases occur, which may serve as examples. One, where the material is itself an object of general or extensive consumption, and a fit and productive source of revenue. Another, where a manufacture of a simpler kind, the competition of which, with a like domestic article, is desired to be restrained, partakes of the nature of a raw material, from being capable, by a further process, to be converted into a manufacture of a different kind, the introduction or growth of which is desired to be encouraged. A third, where the material itself is the production of the country, and in sufficient abundance to furnish a cheap and plentiful supply to the national manufacturers.

Under the first description comes the article of molasses. It is not only a fair object of revenue, but, being a sweet, it is just that the consumers of it should pay a duty as well as the consumers of sugar.

Cotton and linens, in their white state, fall under the second description. A duty upon such as are imported is proper, to promote the domestic manufacture of similar articles, in the same state. A drawback of that duty is proper, to encourage the printing and staining, at home, of those which are brought from abroad. When the first of these manufactures has attained sufficient maturity in a country to furnish a full supply for the second, the utility of the drawback ceases.

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The article of hemp either now does, or may be expected soon to, exemplify the third case in the United States.

Where duties on the materials of manufactures are not laid for the purpose of preventing a competition with some domestic production, the same reasons which recommend, as a general rule, the exemption of those materials from duties, would recommend, as a like general rule, the allowance of drawbacks in favor of the manufacturer. Accordingly, such drawbacks are familiar in countries which systematically pursue the business of manufactures; which furnishes an argument for the observance of a similar policy in the United States; and the idea has been adopted by the laws of the Union, in the instance of salt and molasses. It is believed that it will be found advantageous to extend it to some other articles.

8. *The encouragement of new inventions and discoveries at home, and of the introduction into the United States of such as may have been made in other countries; particularly, those which relate to machinery.*

This is among the most useful and unexceptionable of the aids which can be given to manufactures. The usual means of that encouragement are pecuniary rewards, and, for a time, exclusive privileges. The first must be employed, according to the occasion, and the utility of the invention or discovery. For the last, so far as respects "authors and inventors," provision has been made by law. But it is desirable, in regard to improvements, and secrets of extraordinary value, to be able to extend the same benefit to introducers, as well as authors and inventors; a policy which has been practiced with advantage in other countries. Here, however, as in some other cases, there is cause to regret, that the competency of the authority of the National Government to the good which might be done, is not without a question. Many aids might be given to industry, many internal improvements of primary magnitude might be promoted, by an authority operating throughout the Union, which cannot be effected as well, if at all, by an authority confined within the limits of a single State. . . .

It is customary with manufacturing nations to prohibit, under severe penalties, the exportation of implements and machines, which they have either invented or improved. There are already objects for a similar regulation in the United States; and others may be expected to occur, from time to time. The adoption of it seems to be dictated by the principle of reciprocity. Greater liberality, in such respects, might better comport with the general spirit of the country; but a selfish and exclusive policy, in other quarters, will not always permit the free indulgence of a spirit which would place us upon an unequal footing. As far as prohibitions tend to prevent foreign competitors from deriving the benefit of the improvements made at home, they tend to increase the advantages of those by whom they may have been introduced, and operate as an encouragement to exertion.

9. *Judicious regulations for the inspection of manufactured commodities.*

This is not among the least important of the means by which the prosperity of manufactures may be promoted. It is, indeed, in many cases, one of the most essential. Contributing to prevent frauds upon consumers at home and exporters to foreign countries; to improve the quality, and preserve the character of the national manufactures; it cannot fail to aid the expeditious and advantageous sale of them, and to serve as a guard against successful competition from other quarters. The reputation of the flour and lumber of some States, and of the potash of others, has been established by an attention to this point. And the like good name might be procured for those articles, wheresoever produced, by a judicious and uniform system of inspection, throughout the ports of the United States. A like system might also be extended with advantage to other commodities.

10. *The facilitating of pecuniary remittances from place to place.*

Is a point of considerable moment to trade in general, and to manufactures in particular, by rendering more easy the purchase of raw materials and provisions, and the payment for manufactured supplies. A general circulation of bank paper, which is to be expected from the institution lately established, will be a most valuable mean to this end. But much good would also accrue from some additional provisions respecting inland bills of exchange. If those drawn in one State, payable in another, were made negotiable everywhere, and interest and damages allowed in case of protest, it would greatly promote negotiations between the citizens of different States, by rendering them more secure, and with it the convenience and advantage of the merchants and manufacturers of each.

11. *The facilitating of the transportation of commodities.*

Improvements favoring this object intimately concern all the domestic interests of a community; but they may, without impropriety, be mentioned as having an important relation to manufactures. There is, perhaps, scarcely anything, which has been better calculated to assist the manufactures of Great Britain, than the meliorations of the public roads of that kingdom, and the great progress which has been of late made in opening canals. Of the former, the United States stand much in need; for the latter, they present uncommon facilities.

The symptoms of attention to the improvement of inland navigation which have lately appeared in some quarters, must fill with pleasure every breast, warmed with a true zeal for the prosperity of the country. These examples, it is to be hoped, will stimulate the exertions of the Government and citizens of every State. There can certainly be no object more worthy of the cares of the local administrations; and it were to be wished that there was no doubt of the power of the National Government to lend its direct aid on a comprehensive plan. This is one of those improvements

which could be prosecuted with more efficacy by the whole than by any part or parts of the Union. There are cases in which the general interest will be in danger to be sacrificed to the collision of some supposed local interests. Jealousies, in matters of this kind, are as apt to exist, as they are apt to be erroneous.

The following remarks are sufficiently judicious and pertinent to deserve a literal quotation: "Good roads, canals, and navigable rivers, by diminishing the expense of carriage, put the remote parts of a country more nearly upon a level with those in the neighborhood of the town. They are, upon that account, the greatest of all improvements. They encourage the cultivation of the remote, which must always be the most extensive circle of the country. They are advantageous to the town, by breaking down the monopoly of the country in its neighborhood. They are advantageous, even to that part of the country. Though they introduce some rival commodities into the old market, they open many new markets to its produce. Monopoly, besides, is a great enemy to good management, which can never be universally established, but in consequence of that free and universal competition, which forces everybody to have recourse to it for the sake of self-defense. It is not more than fifty years ago that some of the countries in the neighborhood of London petitioned the Parliament against the extension of the turnpike roads into the remoter counties. Those remoter counties, they pretended, from the cheapness of labor, would be able to sell their grass and corn cheaper in the London market than themselves, and they would thereby reduce their rents, and ruin their cultivation. Their rents, however, have risen, and their cultivation has been improved since that time."

Specimens of a spirit similar to that which governed the counties here spoken of, present themselves too frequently to the eye of an impartial observer, and render it a wish of patriotism, that the body in this country, in whose councils a local or partial spirit is at least likely to predominate, were at liberty to pursue and promote the general interest, in those instances in which there might be danger of the interference of such a spirit.

The foregoing are the principal of the means by which the growth of manufacturing is ordinarily promoted. It is, however, not merely necessary that the measures of government, which have a direct view to manufactures, should be calculated to assist and protect them, but that those which only collaterally affect them in the general course of the administration, should be guarded from any peculiar tendency to injure them.

There are certain species of taxes, which are apt to be oppressive to different parts of the community, and, among other ill effects, have a very unfriendly aspect towards manufactures. All poll or capitation taxes are of this nature. They either proceed according to a fixed rate, which operates



unequally and injuriously to the industrious poor, or they vest a discretion, in certain officers, to make estimates and assessments, which are necessarily vague, conjectural, and liable to abuse. They ought, therefore, to be abstained from in all but cases of distressing emergency.

All such taxes (including all taxes on occupations) which proceed according to the amount of capital supposed to be employed in a business, or of profits supposed to be made in it, are unavoidably hurtful to industry. It is in vain that the evil may be endeavored to be mitigated, by leaving it, in the first instance, in the option of the party to be taxed, to declare the amount of his capital or profits.

Men engaged in any trade or business, have commonly weighty reasons to avoid disclosures, which would expose, with anything like accuracy, the real state of their affairs. They most frequently find it better to risk oppression, than to avail themselves of so inconvenient a refuge, and the consequence, is that they often suffer oppression.

When the disclosure, too, if made, is not definite, but controllable by the discretion, or, in other words, by the passions and prejudices of the revenue officers, it is not only an ineffectual protection, but the possibility of its being so, is an additional reason for not resorting to it.

Allowing to the public officers the most equitable dispositions, yet, where they are to exercise a discretion without certain data, they cannot fail to be often misled by appearances. The quantity of business which seems to be going on, is, in a vast number of cases, a very deceitful criterion of the profits which are made; yet it is, perhaps, the best they can have, and it is the one on which they will most naturally rely. A business, therefore, which may rather require aid from the Government than be in a capacity to be contributory to it, may find itself crushed by the mistaken conjectures of the assessors of taxes.

Arbitrary taxes, under which denomination are comprised all those that leave the quantum of the tax to be raised on each person to the discretion of certain officers, are as contrary to the genius of liberty as to the maxims of industry. In this light they have been viewed by the most judicious observers on Government, who have bestowed upon them the severest epithets of reprobation, as constituting one of the worst features usually to be met within the practice of despotic governments.

It is certain, at least, that such taxes are particularly inimical to the success of manufacturing industry, and ought carefully to be avoided by a government which desires to promote it.

## III. THE SPECIE CIRCULAR, 1836

Reprinted from *Reports on the Finances* from 1829 to 1836, p. 764

TREASURY DEPARTMENT, July 11, 1836.

In consequence of complaints which have been made of frauds, speculations, and monopolies, in the purchase of the public lands, and the aid which is said to be given to effect these objects by excessive bank credits, and dangerous if not partial facilities through bank drafts and bank deposits, and the general evil influence likely to result to the public interests, and especially the safety of the great amount of money in the Treasury, and the sound condition of the currency of the country, from the further exchange of the national domain in this manner, and chiefly for bank credits and paper money, the President of the United States has given directions, and you are hereby instructed, after the 15th day of August next, to receive in payment of the public lands nothing except what is directed by the existing laws, viz.: gold and silver; and, in the proper cases Virginia land scrip; provided that till the 15th of December next, the same indulgences heretofore extended as to the kind of money received, may be continued for any quantity of land not exceeding 320 acres to each purchaser who is an actual settler or *bona fide* resident in the State where the sales are made.

In order to insure the faithful execution of these instructions, all receivers are strictly prohibited from accepting, for land sold, any draft, certificate, or other evidence of money, or deposit, though for specie, unless signed by the Treasurer of the United States, in conformity to the act of April 24, 1820. And each of those officers is required to annex to his monthly returns to this department the amount of gold, and of silver, respectively, as well as the bills received under the foregoing exception; and each deposit bank is required to annex to every certificate given upon a deposit of money, the proportions of it actually paid in gold, in silver, and in bank notes. All former instructions on these subjects, except as now modified, will be considered as remaining in full force.

The principal objects of the President in adopting this measure being to repress alleged frauds, and to withhold any countenance or facilities in the power of the Government from the monopoly of the public lands in the hands of speculators and capitalists, to the injury of the actual settlers in the new States, and of emigrants in search of new homes, as well as to discourage the ruinous extension of bank issues and bank credits, by which those results are generally supposed to be promoted, your utmost vigilance is required, and relied on, to carry this order into complete execution.

(Signed) LEVI WOODBURY,  
*Secretary of the Treasury.*

## IV. THE CIVIL RIGHTS ACT, 1866

Reprinted from *Public Laws of the United States of America*, 1865-1866, pp.27-30

*An Act to protect all Persons in the United States in their Civil Rights, and furnish the Means of their Vindication.*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That all persons born in the United States and not subject to any foreign power, excluding Indians not taxed, are hereby declared to be citizens of the United States; and such citizens, of every race and color, without regard to any previous condition of slavery or involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall have the same right, in every State and Territory in the United States, to make and enforce contracts, to sue, be parties, and give evidence, to inherit, purchase, lease, sell, hold, and convey real and personal property, and to full and equal benefit of all laws and proceedings for the security of person and property, as is enjoyed by white citizens, and shall be subject to like punishment, pains, and penalties, and to none other, any law, statute, ordinance, regulation, or custom, to the contrary notwithstanding.

SEC. 2. *And be it further enacted*, That any person who, under color of any law, statute, ordinance, regulation, or custom, shall subject, or cause to be subjected, any inhabitant of any State or Territory to the deprivation of any right secured or protected by this act, or to different punishment, pains, or penalties on account of such person having at any time been held in a condition of slavery or involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, or by reason of his color or race, than is prescribed for the punishment of white persons, shall be deemed guilty of a misdemeanor, and, on conviction, shall be punished by fine not exceeding one thousand dollars, or imprisonment not exceeding one year, or both, in the discretion of the court.

SEC. 3. *And be it further enacted*, That the district courts of the United States, within their respective districts, shall have, exclusively of the courts of the several States, cognizance of all crimes and offences committed against the provisions of this act, and also, concurrently with the circuit courts of the United States, of all causes, civil and criminal, affecting persons who are denied or cannot enforce in the courts or judicial tribunals of the State or locality where they may be any of the rights secured to them by the first section of this act; and if any suit or prosecution, civil or criminal has been or shall be commenced in any State court, against any such person, for any cause whatsoever or against any officer, civil or military, or other person, for any arrest or imprisonment, trespasses, or wrongs done or committed by virtue or under color of authority derived from this act or the

act establishing a Bureau for the relief of Freedmen and Refugees, and all acts amendatory thereof, or for refusing to do any act upon the ground that it would be inconsistent with this act, such defendant shall have the right to remove such cause for trial to the proper district or circuit court in the manner prescribed by the "Act relating to habeas corpus and regulating judicial proceedings in certain cases," approved March three, eighteen hundred and sixty-three, and all acts amendatory thereof. The jurisdiction in civil and criminal matters hereby conferred on the district and circuit courts of the United States shall be exercised and enforced in conformity with the laws of the United States, so far as such laws are suitable to carry the same into effect; but in all cases where such laws are not adapted to the object, or are deficient in the provisions necessary to furnish suitable remedies and punish offences against law, the common law, as modified and changed by the constitution and statutes of the State wherein the court having jurisdiction of the cause, civil or criminal, is held, so far as the same is not inconsistent with the Constitution and laws of the United States, shall be extended to and govern said courts in the trial and disposition of such cause, and, if of a criminal nature, in the infliction of punishment on the party found guilty.

SEC. 4. *And be it further enacted*, That the district attorneys, marshals, and deputy marshals of the United States, the commissioners appointed by the circuit and territorial courts of the United States, with powers of arresting, imprisoning, or bailing offenders against the laws of the United States, the officers and agents of the Freedmen's Bureau, and every other officer who may be specially empowered by the President of the United States, shall be, and they are hereby, specially authorized and required, at the expense of the United States, to institute proceedings against all and every person who shall violate the provisions of this act, and cause him or them to be arrested and imprisoned, or bailed, as the case may be, for trial before such court of the United States or territorial court as by this act has cognizance of the offence. And with a view to affording reasonable protection to all persons in their constitutional rights of equality before the law, without distinction of race or color, or previous condition of slavery or involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, and to the prompt discharge of the duties of this act, it shall be the duty of the circuit courts of the United States and the superior courts of the Territories of the United States, from time to time, to increase the number of commissioners, so as to afford a speedy and convenient means for the arrest and examination of persons charged with a violation of this act; and such commissioners are hereby authorized and required to exercise and discharge all the powers and duties conferred on them by this act, and the same duties with regard to offences created by

this act, as they are authorized by law to exercise with regard to other offences against the laws of the United States.

SEC. 5. *And be it further enacted*, That it shall be the duty of all marshals and deputy marshals to obey and execute all warrants and precepts issued under the provisions of this act, when to them directed; and should any marshal or deputy marshal refuse to receive such warrant or other process when tendered, or to use all proper means diligently to execute the same, he shall, on conviction thereof, be fined in the sum of one thousand dollars, to the use of the person upon whom the accused is alleged to have committed the offence. And the better to enable the said commissioners to execute their duties faithfully and efficiently, in conformity with the Constitution of the United States and the requirements of this act, they are hereby authorized and empowered, within their counties respectively, to appoint, in writing, under their hands, any one or more suitable persons, from time to time, to execute all such warrants and other process as may be issued by them in the lawful performance of their respective duties; and the persons so appointed to execute any warrant or process as aforesaid shall have authority to summon and call to their aid the bystanders or posse comitatus of the proper county, or such portion of the land or naval forces of the United States, or of the militia, as may be necessary to the performance of the duty with which they are charged, and to insure a faithful observance of the clause of the Constitution which prohibits slavery, in conformity with the provisions of this act; and said warrants shall run and be executed by said officers anywhere in the State or Territory within which they are issued.

SEC. 6. *And be it further enacted*, That any person who shall knowingly and willfully obstruct, hinder, or prevent any officer, or other person charged with the execution of any warrant or process issued under the provisions of this act, or any person or persons lawfully assisting him or them, from arresting any person for whose apprehension such warrant or process may have been issued, or shall rescue or attempt to rescue such person from the custody of the officer, other person or persons, or those lawfully assisting as aforesaid, when so arrested pursuant to the authority herein given and declared, or shall aid, abet, or assist any person so arrested as aforesaid, directly or indirectly, to escape from the custody of the officer or other person legally authorized as aforesaid, or shall harbor or conceal any person for whose arrest a warrant or process shall have been issued as aforesaid, so as to prevent his discovery and arrest after notice or knowledge of the fact that a warrant has been issued for the apprehension of such person, shall, for either of said offences, be subject to a fine not exceeding one thousand dollars, and imprisonment not exceeding six months, by indictment and conviction before the district court of the United States for the district in

which said offence may have been committed, or before the proper court of criminal jurisdiction, if committed within any one of the organized Territories of the United States.

SEC. 7. *And be it further enacted*, That the district attorneys, the marshals, their deputies, and the clerks of the said district and territorial courts shall be paid for their services the like fees as may be allowed to them for similar services in other cases; and in all cases where the proceedings are before a commissioner, he shall be entitled to a fee of ten dollars in full for his services in each case, inclusive of all services incident to such arrest and examination. The person or persons authorized to execute the process to be issued by such commissioners for the arrest of offenders against the provisions of this act shall be entitled to a fee of five dollars for each person he or they may arrest and take before any such commissioner as aforesaid, with such other fees as may be deemed reasonable by such commissioner for such other additional services as may be necessarily performed by him or them, such as attending at the examination, keeping the prisoner in custody, and providing him with food and lodging during his detention, and until the final determination of such commissioner, and in general for performing such other duties as may be required in the premises; such fees to be made up in conformity with the fees usually charged by the officers of the courts of justice within the proper district or county, as near as may be practicable, and paid out of the Treasury of the United States on the certificate of the judge of the district within which the arrest is made, and to be recoverable from the defendant as part of the judgment in case of conviction.

SEC. 8. *And be it further enacted*, That whenever the President of the United States shall have reason to believe that offences have been or are likely to be committed against the provisions of this act within any judicial district, it shall be lawful for him, in his discretion, to direct the judge, marshal, and district attorney of such district to attend at such place within the district, and for such time as he may designate, for the purpose of the more speedy arrest and trial of persons charged with a violation of this act; and it shall be the duty of every judge or other officer, when any such requisition shall be received by him, to attend at the place and for the time therein designated.

SEC. 9. *And be it further enacted*, That it shall be lawful for the President of the United States, or such person as he may empower for that purpose, to employ such part of the land or naval forces of the United States, or of the militia, as shall be necessary to prevent the violation and enforce the due execution of this act.

SEC. 10. *And be it further enacted*, That upon all questions of law

arising in any cause under the provisions of this act a final appeal may be taken to the Supreme Court of the United States.

SCHUYLER COLFAX,  
Speaker of the House of Representatives.  
LA FAYETTE S. FOSTER,  
President of the Senate, *pro tempore*.

*In the Senate of the United States, April 6, 1866.*

The President of the United States having returned to the Senate, in which it originated, the bill entitled "An act to protect all persons in the United States in their civil rights, and furnish the means of their vindication," with his objections thereto, the Senate proceeded, in pursuance of the Constitution, to reconsider the same; and,

*Resolved*, That the said bill do pass, two-thirds of the Senate agreeing to pass the same.

Attest:

J. W. FORNEY,  
Secretary of the Senate.

*In the House of Representatives U. S. April 9, 1866.*

The House of Representatives having proceeded, in pursuance of the Constitution, to reconsider the bill entitled "An act to protect all persons in the United States in their civil rights, and furnish the means of their vindication," returned to the Senate by the President of the United States, with his objections, and sent by the Senate to the House of Representatives, with the message of the President returning the bill:

*Resolved*, That the bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

EDWARD MCPHERSON, Clerk,  
by CLINTON LLOYD, Chief Clerk.

## V. SHERMAN ANTI-TRUST ACT, 1890

Reprinted from *Statutes of the United States*, 1889-1890, pp. 209, 210

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.*

SEC. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by im-

prisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 4. The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney-General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

SEC. 5. Whenever it shall appear to the court before which any proceeding under section four of this act may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpoenas to that end may be served in any district by the marshal thereof.

SEC. 6. Any property owned under any contract or by any combination, or pursuant to any conspiracy (and being the subject thereof) mentioned in section one of this act, and being in the course of transportation



from one State to another, or to a foreign country, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law.

SEC. 7. Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act, may sue therefor in any circuit court of the United States in the district in which the defendant resides or is found, without respect to the amount in controversy, and shall recover three fold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

SEC. 8. That the word "person," or "persons," wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country.

Approved, July 2, 1890.

## APPENDIX B. ADMISSION OF STATES, ETC.

State	Rank as to Age	Year of Admission	Rank in Population 1910	Largest City 1910	Capital 1917	Land Area in Square Miles 1910
Alabama.....	22	1819	18	Birmingham	Montgomery	51,279
Arizona.....	47	1910	45	Tucson	Phoenix	113,810
Arkansas.....	25	1836	25	Little Rock	Little Rock	52,525
California.....	31	1850	12	San Francisco	Sacramento	155,658
Colorado.....	38	1876	32	Denver	Denver	103,658
Connecticut.....	5	Original State	31	New Haven	Hartford	4,820
Delaware.....	1*	Original State	46	Wilmington	Dover	1,965
Florida.....	27	1845	33	Jacksonville	Tallahassee	54,861
Georgia.....	4	Original State	10	Atlanta	Atlanta	58,725
Idaho.....	43	1890	44	Boise	Boise	83,354
Illinois.....	21	1818	3	Chicago	Springfield	56,043
Indiana.....	19	1816	9	Indianapolis	Indianapolis	36,045
Iowa.....	29	1846	15	Des Moines	Des Moines	55,586
Kansas.....	34	1861	22	Kansas City	Topeka	81,774
Kentucky.....	15	1792	14	Louisville	Frankfort	40,181
Louisiana.....	18	1812	24	New Orleans	Baton Rouge	45,409
Maine.....	23	1820	34	Portland	Augusta	29,895
Maryland.....	7	Original State	27	Baltimore	Annapolis	9,941
Massachusetts.....	6	Original State	6	Boston	Boston	8,039
Michigan.....	26	1837	8	Detroit	Lansing	57,480
Minnesota.....	32	1858	19	Minneapolis	St. Paul	80,858
Mississippi.....	20	1817	21	Meridian	Jackson	46,362
Missouri.....	24	1821	7	St. Louis	Jefferson City	68,727
Montana.....	41	1889	40	Butte	Helena	146,201
Nebraska.....	37	1867	29	Omaha	Lincoln	76,808
Nevada.....	36	1864	48	Reno	Carson City	109,821
New Hampshire.....	9	Original State	39	Manchester	Concord	9,031
New Jersey.....	3	Original State	11	Newark	Trenton	7,514
New Mexico.....	48	1910	43	Albuquerque	Santa Fe	122,503
New York.....	11	Original State	1	New York	Albany	47,654
North Carolina.....	12	Original State	16	Charlotte	Raleigh	48,740
North Dakota.....	39	1889	37	Fargo	Bismarck	70,183
Ohio.....	17	1803	4	Cleveland	Columbus	40,740
Oklahoma.....	46	1907	23	Oklahoma City	Oklahoma City	69,414
Oregon.....	33	1859	35	Portland	Salem	95,607
Pennsylvania.....	2	Original State	2	Philadelphia	Harrisburg	44,832
Rhode Island.....	13	Original State	38	Providence	Providence	1,067
South Carolina.....	8	Original State	26	Charleston	Columbia	30,495
South Dakota.....	40	1889	36	Sioux Falls	Pierre	76,868
Tennessee.....	16	1796	17	Memphis	Nashville	41,687
Texas.....	28	1845	5	San Antonio	Austin	262,398
Utah.....	45	1894	41	Salt Lake City	Salt Lake City	82,184
Vermont.....	14	1791	42	Burlington	Montpelier	9,124
Virginia.....	10	Original State	20	Richmond	Richmond	40,262
Washington.....	42	1889	30	Seattle	Olympia	66,836
West Virginia.....	35	1863	28	Wheeling	Charleston	24,022
Wisconsin.....	30	1848	13	Milwaukee	Madison	55,256
Wyoming.....	44	1890	47	Cheyenne	Cheyenne	97,594

\*Delaware was the first state to ratify the Constitution; hence it is Number 1. Vermont was the first state to be created after the adoption of the Constitution. Its number is 14.

President and Vice-Pres.	Secretary of State.	Secy. of Treasury.	Secretary of War.
George Washington.....1789	T. Jefferson.....1789	Alex. Hamilton.....1789	Henry Knox.....1789
John Adams.....1789	E. Randolph.....1794	Oliver Wolcott.....1795	T. Pickens.....1795
	T. Pickens.....1795		Jas. McHenry.....1796
John Adams.....1797	T. Pickens.....1797	Oliver Wolcott.....1797	Jas. McHenry.....1797
Thomas Jefferson.....1797	John Marshall.....1800	Samuel Dexter.....1801	John Marshall.....1800
			Sam'l Dexter.....1800
			R. Griswold.....1801
Thomas Jefferson.....1801	James Madison.....1801	Samuel Dexter.....1801	H. Dearborn.....1801
Aaron Burr.....1801		Albert Gallatin.....1801	
George Clinton.....1805			
James Madison.....1809	Robert Smith.....1809	Albert Gallatin.....1809	Wm. Eustis.....1809
George Clinton.....1809	James Monroe.....1811	G. W. Campbell.....1814	J. Armstrong.....1813
Elbridge Gerry.....1813		A. J. Dallas.....1814	James Monroe.....1814
		W. H. Crawford.....1816	W. H. Crawford.....1815
James Monroe.....1817	J. Q. Adams.....1817	W. H. Crawford.....1817	Isaac Shelby.....1817
Daniel D. Tompkins.....1817			Geo. Graham.....1817
			J. C. Calhoun.....1817
John Q. Adams.....1825	Henry Clay.....1825	Richard Rush.....1825	Jas. Barbour.....1825
John C. Calhoun.....1825			Peter B. Porter.....1825
Andrew Jackson.....1829	M. Van Buren.....1829	Sam. D. Ingham.....1829	John H. Eaton.....1829
John C. Calhoun.....1829	E. Livingston.....1831	Louis McLane.....1831	Lewis Cass.....1831
Martin Van Buren.....1833	Louis McLane.....1833	W. J. Duane.....1833	B. F. Butler.....1837
	John Forsyth.....1834	Roger B. Taney.....1833	
		Levi Woodbury.....1834	
Martin Van Buren.....1837	John Forsyth.....1837	Levi Woodbury.....1837	Joel R. Poinsett.....1837
Richard M. Johnson.....1837			
William H. Harrison.....1841	Daniel Webster.....1841	Thos. Ewing.....1841	John Bell.....1841
John Tyler.....1841			
	Daniel Webster.....1841	Thos. Ewing.....1841	John Bell.....1841
	Hugh S. Legare.....1843	Walter Forward.....1841	John McLean.....1841
	Abel P. Upshur.....1843	John C. Spencer.....1843	J. C. Spencer.....1841
	John C. Calhoun.....1844	Geo. M. Bibb.....1844	Jas. M. Porter.....1844
			Wm. Wilkins.....1844
James K. Polk.....1845	James Buchanan.....1845	Robt. J. Walker.....1845	Wm. L. Marcy.....1845
George M. Dallas.....1845			
Zachary Taylor.....1849	John M. Clayton.....1849	Wm. M. Meredith.....1849	G. W. Crawford.....1849
Millard Fillmore.....1849			
Millard Fillmore.....1850	Daniel Webster.....1850	Thomas Corwin.....1850	C. M. Conrad.....1850
	Edward Everett.....1852		
Franklin Pierce.....1853	W. L. Marcy.....1853	James Guthrie.....1853	Jefferson Davis.....1853
William R. King.....1853			
James Buchanan.....1857	Lewis Cass.....1857	Howell Cobb.....1857	John B. Floyd.....1857
John C. Breckinridge.....1857	J. S. Black.....1860	Philip F. Thomas.....1861	Joseph Holt.....1861
		John A. Dix.....1861	
Abraham Lincoln.....1861	W. H. Seward.....1861	Salmon P. Chase.....1861	S. Cameron.....1861
Hannibal Hamlin.....1861		W. P. Fessenden.....1864	E. M. Stanton.....1862
Andrew Johnson.....1865		Hugh McCulloch.....1865	
Andrew Johnson.....1865	W. H. Seward.....1865	Hugh McCulloch.....1865	E. M. Stanton.....1865
			U. S. Grant.....1867
			L. Thomas.....1868
			J. M. Schofield.....1868
Ulysses S. Grant.....1869	E. B. Washburne.....1869	Geo. S. Boutwell.....1869	J. A. Rawlins.....1869
Benjamin Colfax.....1869	Hamilton Fish.....1869	W. A. Richardson.....1873	W. T. Sherman.....1869
Henry Wilson.....1873		Benj. H. Bristow.....1874	W. W. Belknap.....1869
		Lot M. Morrill.....1876	Alphonso Taft.....1876
			J. D. Cameron.....1876
Rutherford B. Hayes.....1877	W. M. Evarts.....1877	John Sherman.....1877	G. W. McCrary.....1877
William A. Wheeler.....1877			Alex. Ramsey.....1879
James A. Garfield.....1881	James G. Blaine.....1881	Wm. Windom.....1881	R. T. Lincoln.....1881
Chester A. Arthur.....1881			
Chester A. Arthur.....1881	F. T. Frelinghuysen.....1881	Chas. J. Folger.....1881	R. T. Lincoln.....1881
		W. Q. Gresham.....1884	
		Hugh McCulloch.....1884	
Grover Cleveland.....1885	Thos. F. Bayard.....1885	Daniel Manning.....1885	W. C. Endicott.....1885
Thos. A. Hendricks.....1885		Chas. S. Fairchild.....1887	
Benjamin Harrison.....1889	James G. Blaine.....1889	Wm. Windom.....1889	R. Proctor.....1889
Levi P. Morton.....1889	John W. Foster.....1892	Charles Foster.....1891	S. B. Elkins.....1891
Grover Cleveland.....1893	W. Q. Gresham.....1893	John G. Carlisle.....1893	D. S. Lamont.....1893
Adlai E. Stevenson.....1893	Richard Olney.....1895		
William McKinley.....1897	John Sherman.....1897	Lyman J. Gage.....1897	R. A. Alger.....1897
Garret A. Hobart.....1897	Wm. R. Day.....1897		Elithu Root.....1899
Theodore Roosevelt.....1901	John Hay.....1898		
Theodore Roosevelt.....1901	John Hay.....1901	Lyman J. Gage.....1901	Elithu Root.....1901
Charles W. Fairbanks.....1905	Elithu Root.....1905	Lestlie M. Shaw.....1902	Wm. H. Taft.....1904
	Robert Bacon.....1909	G. B. Cortelyou.....1907	Luke E. Wright.....1905
	P. C. Knox.....1909	F. MacVeagh.....1909	J. M. Dickinson.....1909
William H. Taft.....1909			H. L. Stimson.....1909
James S. Sherman.....1909			
Woodrow Wilson.....1913	Wm. J. Bryan.....1913	W. G. McAdoo.....1913	L. M. Garrison.....1913
Thomas R. Marshall.....1913	Robert Lansing.....1915		Newton D. Baker.....1916

Secretary of Navy.	Secretary of Interior	Postmaster-general.	Attorney-general.	Secy. of Agriculture.
		Samuel Osgood...1789 T. Pickering...1791 Jos. Habersham...1795 Jos. Habersham...1797	E. Randolph...1789 Wm. Bradford...1794 Charles Lee...1795 Charles Lee...1797 Theo. Parsons...1801	
Benj. Stoddert...1798				
Benj. Stoddert...1801 Robert Smith...1801 J. Crowninshield...1805		Jos. Habersham...1801 Gideon Granger...1801	Levi Lincoln...1801 Robt. Smith...1805 J. Breckinridge...1805 C. A. Rodney...1807	
Paul Hamilton...1809 William Jones...1813 B.W. Crowninshield...1814		Gideon Granger...1809 R. J. Meigs, Jr...1814	C. A. Rodney...1809 Wm. Pinckney...1811 Wm. Rush...1814	
B.W. Crowninshield...1817 Smith Thompson...1818 S. L. Southard...1823 S. L. Southard...1825		R. J. Meigs, Jr...1817 John McLean...1823	Wm. Rush...1817 Wm. Wirt...1817	
John Branch...1829 Levi Woodbury...1831 Mahlon Dickerson...1834		John McLean...1826	Wm. Wirt...1826	
Mahlon Dickerson...1837		Wm. T. Barry...1829 Amos Kendall...1835	John M. Berrien...1829 R. B. Taney...1831 B. F. Butler...1833	
		Amos Kendall...1837 John M. Niles...1840	B. F. Butler...1837 F. Grundy...1838 H. D. Gilpin...1840	
George E. Badger...1841		Francis Granger...1841	J. J. Crittenden...1841	
George E. Badger...1841 Abel P. Upshur...1841 David Henshaw...1843 Thomas W. Gilmer...1844 John Y. Mason...1844		Francis Granger...1841 C. A. Wickliffe...1841	J. J. Crittenden...1841 H. S. Legare...1841 John Nelson...1843	
George Bancroft...1845 John Y. Mason...1846		Cave Johnson...1845	John Y. Mason...1845 N. Clifford...1846 Isaac Toucey...1848	
William B. Preston...1849	Thomas Ewing...1849	Jacob Collamer...1849	R. Johnson...1849	
Wm. A. Graham...1850 John P. Kennedy...1852	Thomas A. Peares...1850 T. M. T. McKernon...1850 A. H. H. Stuart...1850	Nathan K. Hall...1850 Sam D. Hubbard...1852	J. J. Crittenden...1850	
James C. Dobbin...1853 Isaac Toucey...1857	Robt. McClelland...1853 Jacob Thompson...1857	James Campbell...1853 Aaron V. Brown...1857 Joseph Holt...1859	Caleb Cushing...1853 J. S. Black...1857 E. M. Stanton...1860	
Gideon Welles...1861	Caleb B. Smith...1861 John P. Usher...1863	M. Blair...1861 Wm. Dennison...1864	Edward Bates...1861 Titian J. Coffey...1863 James Speed...1864	
Gideon Welles...1865	John P. Usher...1865 James Harlan...1865 O. H. Browning...1866	Wm. Dennison...1865 A. W. Randall...1866	James Speed...1865 Henry Stanbery...1866 Wm. M. Evarts...1868	
Adolph E. Borie...1869 Geo. M. Robeson...1869	Jacob D. Cox...1869 Columbus Delano...1870 Zach Chandler...1875	J. A. J. Croswell...1869 Jas. W. Marshall...1874 Marshall Jewell...1874 James N. Tyner...1876	E. R. Hoar...1869 T. A. Ackerman...1870 Geo. H. Williams...1871 Edw. Pierpont...1875 Alphonso Taft...1876	
R. W. Thompson...1877 Nathan Goff, Jr...1881	Carl Schurz...1877	David M. Key...1877 H. Maynard...1880	Chas. Devens...1877	
W. H. Hunt...1881 W. E. Chandler...1881	S. J. Kirkwood...1881 Henry M. Teller...1881	T. L. James...1881 T. O. Howe...1881 W. Q. Gresham...1883 Frank Hatton...1884	W. MacVeagh...1881 B. H. Brewster...1881	
W. C. Whitney...1885	L. Q. C. Lamar...1885 Wm. F. Vilas...1888	Wm. F. Vilas...1885 D. M. Dickinson...1888	A. H. Garland...1885	N. J. Colman...1889
Benj. F. Tracy...1889	John W. Noble...1889	J. Wanamaker...1889	W. H. H. Miller...1889	J. M. Rusk...1889
Hilary A. Herbert...1893	Hoke Smith...1893 D. R. Francis...1896	W. S. Bissell...1893 W. L. Wilson...1895	R. Olney...1893 J. Harmon...1895	J. S. Morton...1893
John D. Long...1897	C. N. Bliss...1897 E. A. Hitchcock...1899	James A. Gary...1897 Chas. E. Smith...1898	J. McKenna...1897 J. W. Griggs...1897 P. C. Knox...1901	J. Wilson...1897
John D. Long...1901 Wm. H. Moody...1902 Paul Morton...1904 C. J. Bonaparte...1905 Victor H. Metcalf...1907 T. H. Newberry...1908	E. A. Hitchcock...1901 J. R. Garfield...1907	Chas. E. Smith...1901 Henry C. Payne...1902 Robt. J. Wynne...1904 G. B. Cortelyou...1905 G. v. L. Meyer...1907	P. C. Knox...1901 W. H. Moody...1904 C. J. Bonaparte...1907	J. Wilson...1901
G. von L. Meyer...1909	R. A. Ballinger...1909 W. L. Fisher...1911	F. H. Hitchcock...1909	G. W. Wickes...1909	J. Wilson...1909
Josephus Daniels...1913	F. K. Lane...1913	A. S. Burleson...1913	J. C. McReynolds...1913 Thos. W. Gregory...1914	D. F. Houston...1913

In addition to the departments named on the preceding pages, the department of Labor and Commerce was established in 1903. The Secretaries of this department were George B. Cortelyou, 1903; Victor H. Metcalf, 1904; Oscar S. Straus, 1907; and Charles Nagel, 1909. Beginning with President Wilson's first administration (March 4, 1913), this department was divided. One new department, that of Labor, is presided over (1917) by William B. Wilson; the other, the Department of Commerce, is in charge (1917) of William C. Redfield.

## APPENDIX D. POPULATION OF THE UNITED STATES

At each census from 1850 to 1910

STATES AND TERRITORIES	1850	1860	1870	1880	1890*	1900	1910
Alabama	771,623	964,201	996,992	1,262,595	1,513,017	1,828,697	2,138,093
Alaska						63,592	64,356
Arizona			9,658	40,440	59,620	122,931	204,354
Arkansas	209,897	435,450	484,471	802,525	1,128,179	1,311,564	1,574,449
California	92,597	379,994	560,247	864,694	1,208,130	1,485,053	2,377,549
Colorado		34,277	39,864	194,327	419,198	539,700	790,024
Connecticut	370,792	460,147	537,454	622,700	746,258	908,420	1,114,756
Dakota		4,837	14,181	135,177			
Delaware	91,532	112,216	125,015	146,608	168,493	184,735	202,332
D. of Columbia	51,687	75,080	131,700	177,624	230,392	278,718	331,069
Florida	87,445	140,424	187,748	269,493	391,422	528,542	751,139
Georgia	906,185	1,057,286	1,184,109	1,542,180	1,837,353	2,216,331	2,609,121
Hawaii						154,001	191,909
Idaho			14,999	32,610	84,385	161,772	325,594
Illinois	851,470	1,711,951	2,539,891	3,077,871	3,826,351	4,821,550	5,638,591
Indiana	988,416	1,350,428	1,680,637	1,978,301	2,192,404	2,516,462	2,700,876
Indian T'y						392,060	
Iowa	192,214	674,913	1,194,020	1,624,615	1,911,896	2,231,853	2,224,771
Kansas		107,206	364,399	996,096	1,427,096	1,470,405	1,690,949
Kentucky	982,405	1,155,684	1,321,011	1,648,690	1,858,635	2,147,174	2,289,905
Louisiana	517,762	708,002	726,915	939,946	1,118,587	1,381,625	1,656,388
Maine	583,169	628,279	626,915	648,936	661,086	694,466	742,371
Maryland	583,034	687,049	780,894	934,943	1,042,390	1,188,044	1,295,346
Massachusetts	994,514	1,231,066	1,457,351	1,783,085	2,238,943	2,805,346	3,366,416
Michigan	397,654	749,113	1,184,059	1,636,937	2,093,889	2,420,982	2,810,173
Minnesota		6,077	439,706	780,773	1,301,826	1,751,394	2,075,708
Mississippi	606,526	791,305	827,922	1,131,597	1,289,600	1,551,270	1,707,114
Missouri	682,044	1,182,012	1,721,295	2,168,380	2,679,184	3,106,665	3,293,335
Montana			20,595	39,159	132,159	243,329	376,053
Nebraska		28,841	122,993	452,402	1,058,910	1,066,300	1,192,214
Nevada		6,857	42,491	62,266	45,761	42,335	81,875
New Hampshire	317,976	326,073	318,300	346,991	376,530	411,588	430,572
New Jersey	489,555	672,035	906,096	1,131,116	1,444,933	1,883,609	2,537,167
New Mexico	61,547	93,516	91,874	119,565	153,593	195,310	327,301
New York	3,097,394	3,880,735	4,382,759	5,082,871	5,997,853	7,268,894	9,113,279
North Carolina	869,039	992,622	1,071,361	1,399,750	1,617,947	1,893,810	2,206,287
North Dakota					182,719	319,146	577,056
Ohio	1,980,329	2,339,511	2,665,260	3,198,062	3,672,316	4,157,545	4,767,121
Oklahoma					61,834	398,331	1,657,155
Oregon		13,294	52,465	174,768	313,767	413,536	672,765
Pennsylvania	2,311,786	2,906,215	3,521,951	4,282,891	5,258,014	6,302,115	7,665,111
Rhode Island	147,545	174,620	217,353	276,531	345,506	428,556	542,610
South Carolina	668,507	703,708	705,606	995,577	1,151,149	1,340,316	1,515,400
South Dakota					132,808	401,570	583,888
Tennessee	1,092,717	1,109,801	1,258,520	1,542,359	1,767,518	2,020,616	2,184,780
Texas	212,592	604,215	818,579	1,591,749	2,235,523	3,048,710	3,896,542
Utah		11,380	86,786	143,963	207,505	276,749	373,351
Vermont	314,120	315,098	330,551	332,286	332,422	343,641	355,956
Virginia	1,421,061	1,596,318	1,225,163	1,512,565	1,655,980	1,854,184	2,061,612
Washington		11,594	23,955	75,116	349,390	518,103	1,141,990
West Virginia			442,014	618,457	762,704	958,800	1,221,119
Wisconsin	395,391	775,881	1,054,670	1,315,497	1,686,880	2,069,042	2,334,860
Wyoming			9,118	20,789	60,705	92,531	145,965
Total	23,191,876	31,443,321	38,558,371	50,155,783	62,622,250	75,994,575	91,972,266

\*Indians on reservations not included.

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